DFC

2021 Annual Report

U.S. International Development Finance Corporation

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Foreword

In the two years since DFC launched, it has partnered with the private sector to finance solutions to the most critical challenges facing the developing world while advancing America's foreign policy goals abroad.

In Fiscal Year (FY) 2021, DFC partnered with private businesses to empower marginalized communities, advance American foreign policy, and expand production and distribution of lifesaving COVID-19 vaccines. Details of that work are outlined in this report.

The scope and impact of this young agency's work is a testament to the strength of the development finance model on which DFC was established and to the dedication of the DFC team and our partners. I am honored to be leading this young and dynamic agency through its next phase of growth, to ensure that the U.S. is a leader in global development that is transparent and impactful, and that we are equipped to meet our expanded mandate.

Responding nimbly and effectively to pandemics, climate change, political conflict, as well as poverty, hunger, and refugee crises will require not only strong partnerships, but also a strong internal foundation of clear priorities and efficient processes. As DFC sources deals and executes financial transactions that will improve lives and strengthen economies around the world, we are continuing to build the Corporation's capacity to effectively and swiftly address new challenges as they emerge.

Scott A. Nathan
Chief Executive Officer
May 2022

Snapshot of 2021

$6.7 billion in new commitments

Almost $1 billion committed to healthcare investments, a nearly four-fold increase over past five-year average

Transactions to support COVID-19 vaccine production will expand capacity to produce an **additional 7 billion doses** over five years

A broader commitment to climate: **$454 million committed across 21 transactions** to advance climate mitigation, resilience, and adaptation

Increased focus on low-income countries: **More than two-thirds** of transactions focus on low- and lower-middle-income countries

Expanded commitment to gender: **43 percent** of transactions meet the 2X Women's Initiative criteria for advancing gender equity

Introduction

"The choices we make today…will resonate for decades to come. This is especially true when it comes to infrastructure."

—

President **Joe Biden**

In a year marked by an ongoing pandemic and a growing threat of climate change, the world saw how its greatest challenges transcend national borders. Confronting these and many other urgent issues requires a broad approach that reaches both developed and developing countries.

Today, the developing world needs at least $40 trillion in investment to meet the UN's Sustainable Development Goals and 21st-century infrastructure needs to generate electricity for growing populations, expand access to modern technology, confront climate change, provide quality healthcare, and increase manufacturing capacity—including the capacity to manufacture lifesaving vaccines.

DFC's financial tools help mobilize investment across the developing world:

- **Structured Finance:** Loans and guaranties of $50 million to $1 billion to support the development of critical infrastructure and other projects requiring large investments of time and money.

- **Development Credit:** Loans and guaranties of up to $50 million in multiple development sectors including agriculture, healthcare, technology, education, small business financing and affordable housing.

- **Political Risk Insurance:** Coverage of up to $1 billion against losses due to currency inconvertibility, government interference, and political violence.

- **Investment Funds:** Debt and equity investments in emerging market private equity funds to address the shortfall in investment capital in developing countries.

- **Equity Investments:** Direct equity investments for early-stage or growth-stage businesses that may not be ready to take on debt.

- **Feasibility Studies and Technical Assistance:** Grants to accelerate project identification and preparation and help increase a project's developmental impact and commercial sustainability.

- **Mission Transaction Unit:** Works with USAID to identify access to finance challenges in developing countries and support transactions with all of DFC's investment tools.

DFC partners with the private sector to deploy these tools and invest across multiple development sectors. Across every sector and investment, we prioritize inclusive growth, focusing our investment in the world's low-income countries and most underserved communities. Key sectors of focus include:

- **Climate change:** Working to mitigate the impact of climate change while also boosting resilience and adaptation to floods, droughts and other severe weather events that are causing disproportionate suffering in the world's poorest communities.

- **Global health:** Expanding access to lifesaving COVID vaccines and therapeutics while investing in health infrastructure as well as water, sanitation, and hygiene (WASH) to boost long-term resilience to future pandemics and noncommunicable disease.

- **Information and communications technology:** Building access to reliable and affordable technology to support economic growth and support critical functions such as fin-tech, online education, and modern food value chains.

- **Gender equity and equality:** Investing in women's economic empowerment by supporting projects that are owned by or led by women, or which offer a product or service that benefits women, especially those in poor and underserved communities.

A robust COVID response

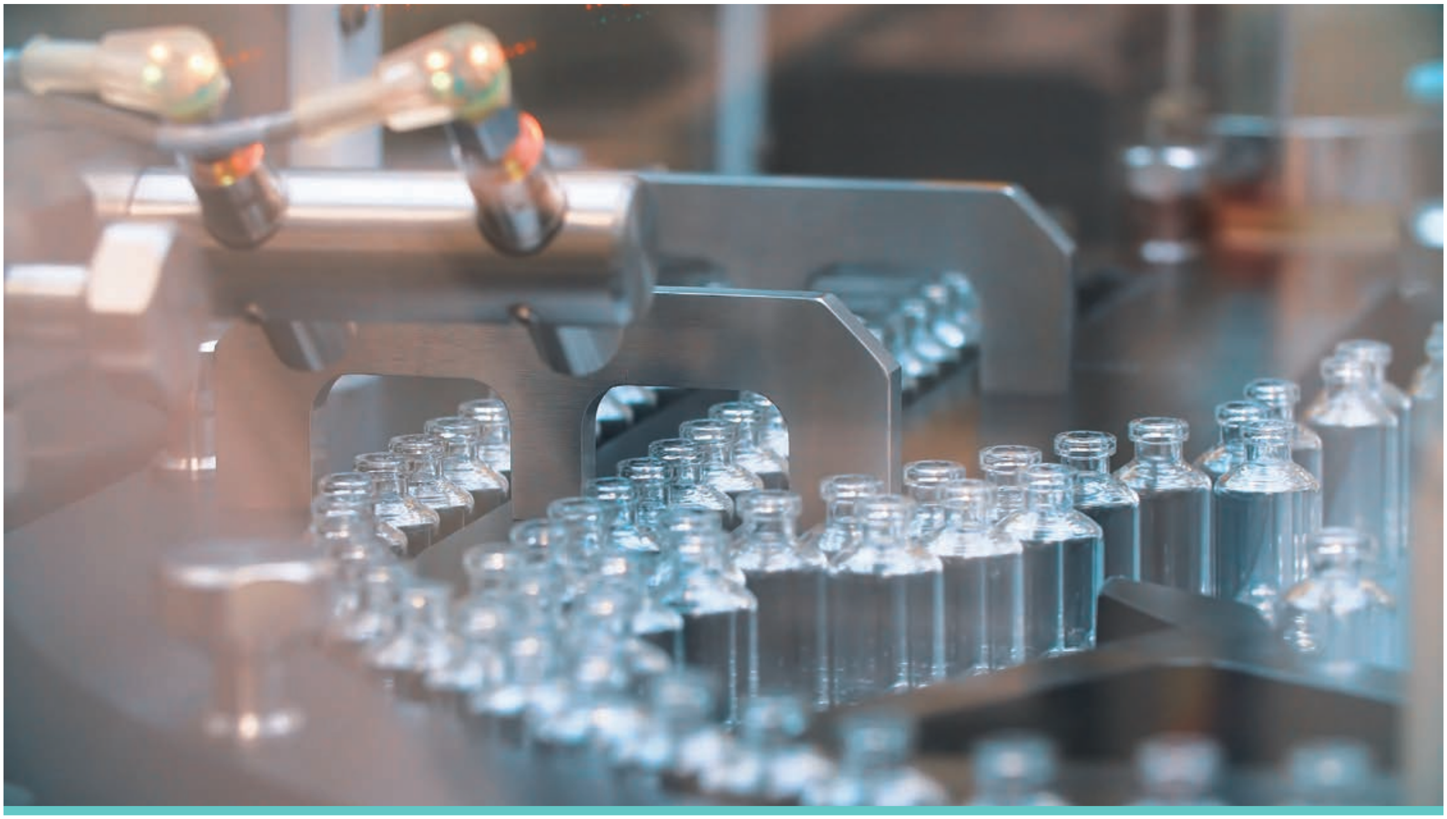
In 2021, new vaccines offered hope for defeating the COVID-19 pandemic, but many developing countries faced hurdles securing sufficient supply. DFC addressed this challenge by dramatically increasing investments in healthcare, supporting multiple transactions to expand vaccine manufacturing capacity in lower-income countries, while working to correct many of the weaknesses in global health systems that had left lower-income communities particularly vulnerable.

DFC 2021 health sector commitments
$999 million

Average health commitments for the prior five years
$264 million

Expanding global vaccine manufacturing capacity

Throughout much of Sub-Saharan Africa, vaccination rates remained below five percent in 2021, reflecting a lack of local vaccine manufacturing capacity. Companies in Africa manufacture just one percent of all the vaccines that are administered on the continent and globally, the challenge is similar.



DFC financing to manufacturers **Aspen Pharmacare** in South Africa and **Biological E. Limited** in India, along with technical support to **Fondation Institut Pasteur de Dakar** in Senegal, is projected to expand vaccine manufacturing capacity to produce an additional 2 billion doses by the end of 2022. DFC also provided political risk insurance to help the Gavi Vaccine Alliance-led COVAX Facility procure up to 2 billion vaccines directly from manufacturers and allocate them around the world.

Healthcare beyond COVID

While COVID created an urgent need for investment in vaccines, therapeutics, and equipment, it also exposed underlying weaknesses in global health systems, particularly those in the developing world, where health facilities often lack modern equipment, reliable electricity, or even running water. These challenges can exacerbate the pandemic, and make it difficult to prevent and treat other non-communicable diseases.

In Sub-Saharan Africa, where an estimated 1 million people suffer from chronic kidney disease requiring dialysis, a DFC loan is supporting the expansion of **Africa Healthcare Network**, which provides affordable dialysis treatment, in Kenya, Rwanda, and Tanzania. In addition to expanding support for some of the people whose underlying health conditions make them especially vulnerable to COVID, the project helps to address Africa's growing challenge of non-communicable diseases.

In Ecuador, DFC is helping one hospital meet a surge in demand for prenatal and pediatric care. Financing will help **Axxis Hospital** in Quito add a maternity ward, a pediatric intensive care unit, a neonatology unit, along with eight delivery rooms and an emergency room for obstetrics and pediatric surgery.

In Indonesia, where access to healthcare is uneven and particularly limited in more remote regions, a DFC loan portfolio guaranty sponsored by USAID/Indonesia to **PT Resilience COVID Indonesia** will provide financing to hospitals, clinics, pharmacies, and other key participants in the food and health goods supply chains. At least half of the financing will focus on eight provinces that USAID has specified as priorities.

Building the foundations of good health

Water, sanitation, and hygiene are essential to good health. Limited access to clean water is a leading cause of disease and death in the developing world, especially in Africa, where one in three people face water scarcity. A DFC loan to the award-winning water filtration franchisor JIBU, will help make more clean bottled water available to people in Rwanda and Uganda. **JIBU** works with small franchisees who filter and sell the water in a single location, typically serving 2,000 customers each day. JIBU's work building a network of locally owned water franchises earned the Transformational Business Award for Innovations in Urban Infrastructure from the Financial Times and IFC.

A race against variants

Support for the production of at least 1 billion vaccines for Asia by the end of 2022

The appearance of the highly contagious Delta variant in India in early 2021 caused a swift surge in COVID cases and deaths throughout Southeast Asia, set off new waves of cases around the world, and gave new urgency to expanding access to vaccinations. At the time of the Delta surge in India, less than five percent of India's population had been vaccinated. DFC financing to help Biological E Limited expand its production sites will support at least 1 billion additional vaccine doses by the end of 2022 for distribution in India and other developing countries in Asia where supply is most needed. **The Biological E** transaction is part of a commitment made among the leaders of the U.S., Australia, India, and Japan during the February 2021 Quad summit to partner to end the pandemic.

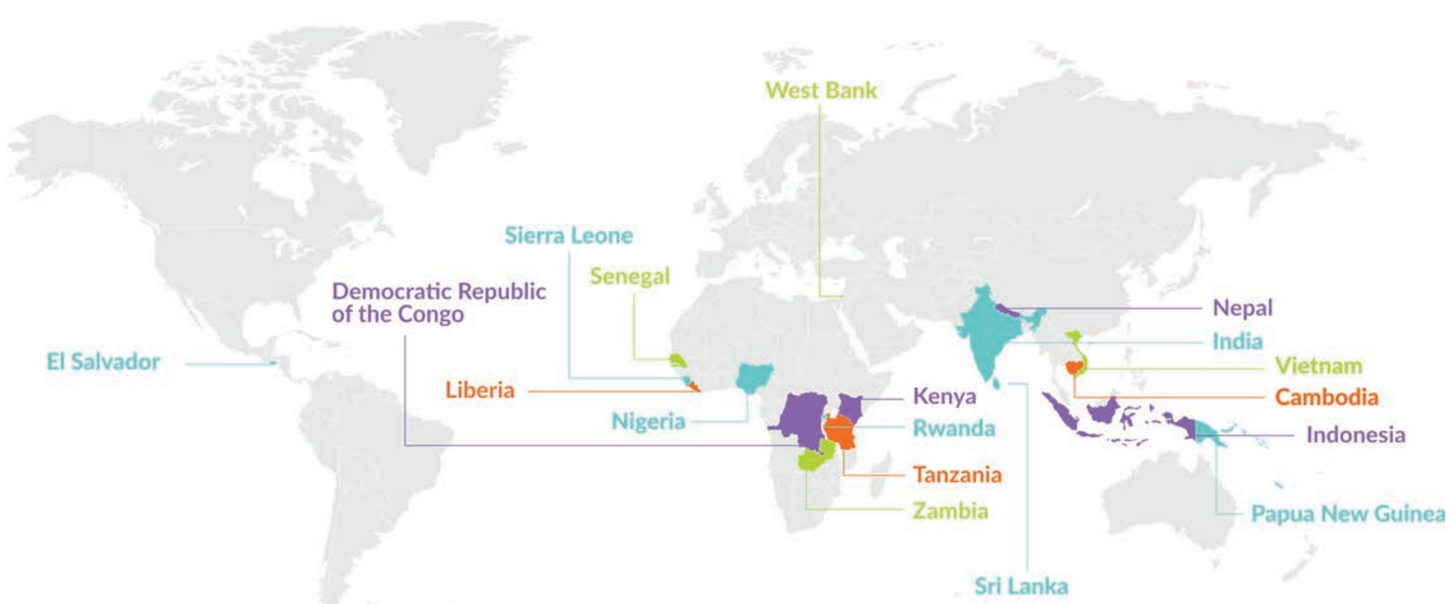
Investing in low-income countries and vulnerable communities

"There simply isn't enough development assistance in the world to meet the global challenges we face... We have to get private-sector capital engaged to sustainably meet global development goals."

— *USAID Administrator* **Samantha Power**

In 2021 DFC supported multiple projects focused on underserved groups including women, refugees, and rural or indigenous populations. These investments laid the groundwork for increased access to lifesaving vaccines (See Building a Robust COVID response, p.6), expanded access to critical services from housing to clean water to modern technology (See Building Connections, p.19), and the creation of new jobs and opportunity.

Share of new transactions in low- and lower-middle income countries: **69 percent**



Reducing child stunting in Zambia

Stunting resulting from poor nutrition and hygiene affects 40 percent of all children under the age of five in Zambia, often leaving lifelong impacts including poor performance in school and low workforce participation. DFC political risk insurance is supporting **DAI Global** in a USAID-funded initiative with the government of Zambia to reduce stunting by expanding access to nutrition, as well as WASH. The program trains farmers to establish community gardens and improve production of vegetables and legumes, while forming nutrition-focused support groups for mothers of young children. It has also trained hundreds of government staff and volunteers to roll out WASH activities, including the construction of latrines and handwashing stations in 111 villages.

Making college affordable in Africa

DFC financing is helping the **Zamuka Future of Work Fund PLC**, with fund manager **CHANCEN International Rwanda** pioneer an innovative model to finance higher education for talented students from low-income and marginalized communities in East and Southern Africa who otherwise would not have the means to attend these schools. The Future of Work Fund offers income sharing agreements in which students repay educational costs with a percentage of future earnings for a set number of years following graduation and are exempt from repaying if their post-graduation income falls below a certain threshold.

Supporting refugees in Jordan and Lebanon

Jordan and Lebanon are home to more than 1.5 million refugees, most of whom are living below the poverty line. DFC financing to the **Near East Foundation** is supporting a training and grant program for women, youth and other vulnerable refugee populations and host communities, which are often strained for resources. By providing these refugees with small loans and related training, Near East Foundation aims to help them launch microenterprises as a sustainable source of household income. Grant funding averages $850 per recipient, which supports hubs aimed at teaching business skills and financial literacy.

Financing for home construction and improvement in Cambodia

Rapid urbanization in Cambodia has exacerbated a shortage in affordable housing, especially in Phnom Penh, where the population is expected to double by 2030. As a result of this migration, almost 50 percent of the people in urban areas live in slum conditions. DFC financing to **First Finance Cambodia** is supporting lending to home and home improvement loans for households with no access to formal housing. The project expects to provide financing to 12,500 borrowers, of whom 60 percent are expected to be women.

Reaching underserved populations in Brazil

DFC also seeks to reach poor and underserved communities in countries with high levels of income inequality. Financing to Brazil's **Banco Sofisa** developed in partnership with USAID Brazil will support lending to small and medium-sized enterprises (SMEs) in the country's Legal Amazon, a vast, economically disadvantaged region in the northern part of the country. As a result of DFC's support, Sofisa is expected to double its credit portfolio with SMEs operating in the Legal Amazon over the next five years, extending loans to up to 70 SMEs across a variety of sectors, including agriculture, transportation, and retail.

Mobilizing growth capital in Nepal

Since its monarchy was replaced with a democratic republic in 2008, Nepal has struggled to attract foreign investment to modernize key industries. A DFC equity investment in **Dolma Impact Fund II** will support investments in healthcare, renewable energy, and technology. **Dolma Fund Management**, the first private equity fund manager dedicated to investing in Nepal, will target investments that reduce dependence on imported energy, help mitigate the impacts of flood, landslide, and drought on its largely agrarian economy, while promoting the introduction of technology that promotes financial inclusion.

Entering challenging frontier markets

First-ever investment in Niger, the world's least developed country.

A new DFC loan portfolio guaranty to **Orabank Niger** developed in partnership with USAID Niger represents the first-ever investment by DFC in the country, which the United Nations classifies as the world's least developed country. Although almost 80 percent of Niger's workforce earns a living in subsistence farming, smallholder farmers have very little access to financing, and banks typically focus lending to other sectors. The guaranty will help Orabank Niger increase lending to SMEs in the agriculture, livestock, and food value chain sectors, which currently account for just one percent of its portfolio, while also helping the bank address demand for Islamic financing and deploy more digital financial services for remote farmers.

The guaranty signals DFC's commitment to support projects that will reach some of the world's poorest communities, while bolstering food security around the world. The World Food Program estimates that 3.4 million people in Niger are food insecure.

Tracking Our Progress: Our Second Year Impact

In FY 2021, DFC committed $6.7 billion to 139 projects that are expected to mobilize an additional $22.4 billion in private capital.

Low-Income Communities

69% of projects are based in low- and lower-middle- income countries, and fragile states.

Expanding and Diversifying DFC's Client Base

70 new clients added.

Women and Underrepresented Communities

Projects are expected to reach

751,000 women or women-owned/led enterprises,

137,000 SMEs, as well as

3,300 customers from other underrepresented groups[1].

Sustainable Job Creation

10,400 host country jobs supported[2].

13% of FY21 committed projects reported exemplary human capacity building programs and/or family-friendly benefits that exceed local legal requirements.

Energy

$2.3 billion committed.

6 countries will benefit from projects that advance energy security through domestic power generation.

591 Gwh of energy per year is projected to be produced.

675,000[3] beneficiaries are projected to benefit from residential off-grid solar units sold by year 5.

Financial Inclusion

$2.2 billion committed in 2X transactions.

$36 million committed in projects that include financial technology.

Food Security and Agriculture

$201 million committed.

87.5% of projects are in low- and lower-middle-income countries.

Support for **1.1 million** smallholder farmers.

Global Health[4]

$645 million committed.

21 projects will increase access to health care services in lower-middle- and upper-middle-income countries.

730,000 patient consultations per year to be supported.

7 billion vaccines manufactured and distributed.

Climate-Linked

$454 million committed.

Technology and Infrastructure

$419 million committed.

43% of FY21 commitments are projected to advance innovation.

177,000 people are projected to benefit from projects that lead to knowledge and technology transfer.

Water, Sanitation, and Hygiene (WASH)

$1.4 million committed.

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1 Underrepresented populations may include low-income, smallholder farmers, young adults, women, people with disabilities, indigenous peoples, refugees, and ethnic and religious minorities. "SMEs" are entities that (a) meet the requirements set forth in any applicable law defining a small and medium enterprise in the host country, and (b) for the most recent FY, satisfy at least two of the following three criteria: (i) $15 million or less in annual revenues; (ii) $15 million or less in assets; or (iii) 300 or fewer employees.

2 The estimate includes directly hired individuals and individuals to be hired through third-party agencies as long as those individuals will provide on-site services related to the operations of the client company. The estimate also includes seasonal, contractual and part-time jobs that were converted to full-time equivalent jobs on a pro rata basis.

3 The number of people project to gain access to electricity through off-grid solar is calculated using World Bank methodology, which presumes that for every residential off-grid solar unit sold, five people are gaining access to electricity.

4 DFC's Health & Prosperity Initiative drove $998 million in commitments across multiple sectors.

Empowering the world's women

One of the world's most longstanding development challenges is gender inequity. Although women comprise half the population, handle the bulk of the care work in their families, and operate many of the small businesses and smallholder farms that are the cornerstone of their communities, they face multiple economic hurdles.

Women are less likely to work in the formal economy, earn a living wage, access a small business loan, or hold a leadership position at work. COVID-19 exacerbated all those trends as more women lost jobs or were forced to leave paying jobs to care for family members.

When women can participate more fully in their local economies, their families and their communities reap significant benefits. For the past three years, DFC (and OPIC previously) has worked to harness that potential by investing in projects that are owned by women, led by women, or that offer a product or service that delivers a strong benefit to women in the developing world.

In 2021 DFC expanded its successful 2X Women's Initiative by establishing new targets to mobilize larger amounts of investment to reach more women and redouble efforts to target that investment to the world's most vulnerable women.

While DFC has established gender equity and equality as a top administration priority, it is one that touches all of the agency's investment priorities, from healthcare to climate.

Total capital catalyzed toward 2X

DFC's investments serve to mobilize additional private capital. Totals catalyzed include both DFC investments and additional capital mobilized.

In 2021... **$4.25 billion**

To date, since 2X was launched in 2017... **$13.53 billion**

Supporting women with financial services

More than 1 billion women around the world and more than 70 percent of women-owned SMEs do not use formal financial services. A core focus of the 2X Women's Initiative is helping more of these establish savings accounts and access bank and microfinance loans to support entrepreneurial activities, small businesses, subsistence farms, and home loans.

In India, where women living in rural areas are especially challenged to access even small microfinance loans, DFC is **supporting Credit Access Grameen's** innovative model to reach these last mile populations. With more than 86 percent of its borrowers in rural or semi-rural villages, Grameen focuses on lending to women at the bottom of the economic pyramid. With DFC's loan, it is estimated that Grameen will reach over 500,000 additional poor and underserved women in rural India over the life of the loan. DFC has also teamed with Grameen to design an initiative to reach unmarried women borrowers, a traditionally financially excluded demographic in rural India, providing a demonstration effect for the sector.

In El Salvador, where less than half of working-age women participate in the labor force, a DFC loan portfolio guaranty to Banco Davivienda Salvadoreño S.A. will support lending to small and medium businesses in high-growth sectors including textiles, plastics, information and communication technologies, and agro-processing. The guaranty will focus on businesses that support gender equity and inclusion and those that suffered from the COVID-19 pandemic. At least 40 percent of the total loans granted under the facility will go to 2X-qualifying projects. The guaranty was developed in partnership with USAID El Salvador.

Expanding women's healthcare

In Ecuador, a DFC loan will support the expansion of Axxis Hospital, which treats women and children and has seen its patient population increase by 330 percent between 2010 and 2019. DFC financing will increase the hospital's capacity by 80 percent and add a maternity ward, a pediatric intensive care unit, a neonatology unity, eight delivery rooms, an emergency room for obstetrics and pediatric surgery.

Educating Vietnam's women

In Vietnam, DFC financing will support the expansion of Fulbright University, where women comprise 65 percent of undergraduate and 53 percent of graduate students. Fulbright, Vietnam's first independent nonprofit liberal arts university, is helping the country meet a growing demand for skilled workers to address challenges such as climate change, defensive cybersecurity, and urbanization. DFC financing will support construction of a new campus in Ho Chi Minh City, with facilities for an additional 1,100 students and help Vietnam improve rates of post-secondary education, which are currently the lowest in the region.

Investing in women leaders

A core mission of the 2X Women's Initiative is supporting female business founders, owners and senior leaders. These women who turned innovative ideas into growing businesses or serve at the helm of businesses that are serving their communities feature prominently in DFC's 2021 investments.

International Bank of Liberia Limited, which is using DFC financing to expanding lending to local businesses, has women in three quarters of its senior management roles. Women also hold three of the six senior leadership positions at dialysis provider **Africa Healthcare Networks**, and one-third of the leadership at **Dolma**. Vaccine maker **Biological E** is majority owned by managing director and CEO Mahima Datla and **Openspace Ventures Plus, L.P.**, is one of the first institutional venture fund in Southeast Asia managed by a woman, Jessica Huang Pouleur. **Nithio**, which is using a technology platform to drive investment in off-grid energy, was founded by two women, Dr. Kate Steel and Queen Chinyere Quinn.

Kasha, one of DFC's first direct equity investments, is an African digital commerce business that was founded by and is managed by women and operates to serve women who cannot easily access health and personal care products in their communities. Kasha offers a digital store accessible through basic mobile phones, has delivered over 8 million products and has served close to 400,000 customers, most of them low-income women.

A bold climate strategy

"Development finance is a powerful tool for addressing the climate crisis."

—

Secretary of State Antony Blinken

One of the most serious consequences of a changing climate is the impact on the world's developing countries, which often lack climate-resistant infrastructure or sufficient resources to protect themselves from the impact of drought, flood, mudslides, severe heat and storms.

The World Health Organization estimates that climate change will contribute to 250,000 additional deaths every year from malnutrition, malaria, diarrhea, and heat stress, and that continuing on the current climate trajectory could force 100 million people into extreme poverty by 2030. Severe weather is also expected to displace millions of people: The World Bank estimates that Latin America, Sub-Saharan Africa, and Southeast Asia will generate 143 million climate migrants by 2050.

DFC has a key role to play in addressing the climate crisis by mobilizing investment in those low-income countries that are suffering the worst impacts of climate change today and helping them adopt clean energy solutions to meet their future electricity needs.

In 2021, DFC established the Chief Climate Office, named its first ever Chief Climate Officer, and outlined a series of bold commitments to address this urgent crisis:

- Work toward achieving net zero emissions across DFC's portfolio
- Issue a new call for investment in distributed renewable energy projects
- Issue an inaugural call for climate-focused funds
- Develop a new facility to increase technical assistance for climate projects
- Develop an insurance risk-sharing platform for climate projects

DFC's climate strategy

Mitigation: Invest in renewable energy and other projects that will reduce emissions over time.

Adaptation: Invest in projects such as training for smallholder farmers to help communities adapt to the climate changes they are experiencing today.

Resilience: Invest in projects such as conservation and climate-resistant infrastructure to help protect communities from some of the impacts of severe weather.

Photo credit: Lekela

Expanding access to off-grid renewable electricity

Almost 2 billion people around the world lack a reliable source of electricity, and because many of them live in remote communities, off-grid power is one of the most promising sources of affordable and clean electricity. However, the COVID-19 pandemic has resulted in dramatically reduced sales of off-grid electricity, as well as disrupted supply chains and tightened liquidity, which have threatened the commercial viability of many off-grid energy providers.

In 2021, DFC committed financing to multiple projects to help off-grid energy providers reach more customers while managing risk.

The **Energy Access Relief Fund** provides low-cost loans to viable off-grid energy providers that serve low-income communities across 50 countries in Africa. The Fund, a collaboration of development institutions, donors, and impact investors, plans to deploy up to $100 million of financing to SMEs providing a variety of off-grid energy solutions including solar home systems, clean cookstoves, and solar-powered irrigation.

Nithio FI B.V. provides loans to solar home system providers in Kenya, Nigeria, and Uganda using an AI-driven risk assessment tool to avoid excessive risk. Nihtio expects DFC's loan will enable it to finance more than 200,000 solar home systems reaching almost 1 million people.

In India a DFC loan guaranty developed in partnership with USAID India will help fill a financing gap by supporting two financial institutions, **cKers Finance Private Limited** and **Electronica Finance Limited**, which are investing in distributed renewable energy products such as rooftop solar, mini-grids, solar pumps and other energy efficiency solutions.

Climate-friendly infrastructure investment

A DFC investment guaranty to **Smart RJ Concessionária de Iluminação Pública SPE S.A.**, or "Smart Rio" is supporting the installation of climate-friendly infrastructure to reduce electricity consumption in Rio de Janeiro, Brazil. By retrofitting and adding new lighting units with light-emitting diode, or LED lighting technology, Smart Rio expects to reduce carbon emissions by at least 70,000 tons per year. With the introduction of smart city infrastructure, Smart Rio will also add 5,000 public Wi-Fi access points, connect 6,000 smart traffic lights, and modernize outdated and inefficient infrastructure.

Protecting vulnerable ecosystems

Investment in conservation not only helps communities build resilience to climate change, but also protects local economies that are highly dependent on tourism, fishing, forestry and other industries. DFC is supporting multiple innovative projects to help these communities protect vulnerable ecosystems.

In Belize, where the impacts of climate change as well as overfishing and agricultural runoff have degraded the coastline, DFC political risk insurance is supporting a project by **The Nature Conservancy** to create a fund for long-term investment in conservation. This "blue bonds" transaction will purchase and restructure the country's sovereign debt to raise funds for marine conservation, coral reef and mangrove restoration, economic diversification and the development of sustainable tourism. Preserving these marine areas will help protect coastal communities from storm surges and rising seas and protect the livelihoods of people who rely on tourism and fishing.

In Colombia, where deforestation is a key driver of greenhouse gas emissions, DFC financing developed in partnership with USAID Colombia is helping **Forest First Colombia** expand a sustainable forestry plantation. Located in the Vichada Department, one of Colombia's poorest regions, the plantation will create jobs and help regenerate the land, and is projected to sequester more than 25 million tons of carbon over 10 years.

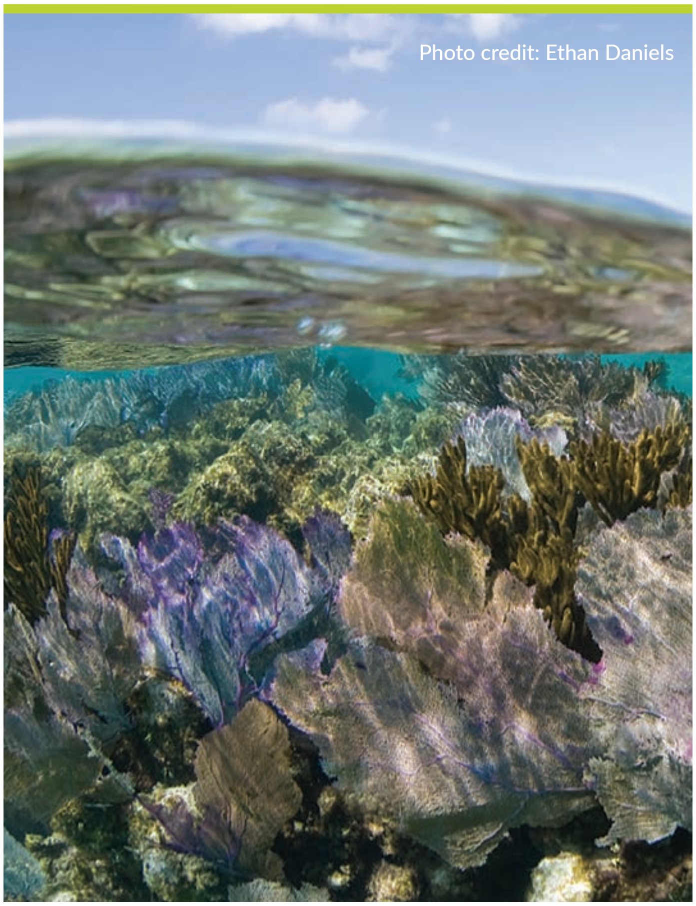


Photo credit: Ethan Daniels

Securing the solar supply chain

As more countries adopt ambitious clean energy goals, renewable sources of electricity are expected to account for almost 95 percent of the increase in global power capacity through 2026, and solar PV alone is on track to account for half of that growth, according to the International Energy Agency.

Yet underlying this rapid growth that is so good for the climate is a precarious foundation of solar supply chains concentrated in a few key markets and tainted with the risk of forced labor associated with polysilicon production from the People's Republic of China.

DFC committed financing to **First Solar**, the largest U.S. solar module manufacturer, that will help address this challenge by supporting development of a major new solar manufacturing facility in India. The new facility will serve India, one of the world's largest solar markets, with modules manufactured responsibly and reliably using First Solar's Cadmium Telluride thin film technology instead of silicon-based inputs. This transaction will bolster the solar module manufacturing capacity of a key U.S. ally and will help avoid the risks of forced labor in the solar supply chain.

First Solar's plans to build a new facility in India come on the heels of plans unveiled earlier this year to build a new $680 million factory in northeast Ohio that will strengthen domestic supply of solar modules in the U.S. and create about 700 new jobs.

Building connections

The rapid adoption of the internet over the past generation has exposed a large and growing global digital divide that has isolated the world's poorest countries and limited access to education, financial services, and basic business tools. While 87 percent of households in developed countries have internet access, just 47 percent of those in developing countries are connected. Among the world's least developed countries, less than 20 percent of people have internet access.

COVID-19 highlighted this disparity with devastating consequences for many communities that were unable to access remote work, school, or healthcare.

Expanding access to information and communications technology is a top priority for DFC.

Expanding technology infrastructure in Africa

Despite being home to approximately 17 percent of the world's population and seeing mass adoption of smartphones, business software, and cloud services, Africa accounts for less than one percent of the world's data center capacity. DFC financing will help **Africa Data Centres** build and expand data centers in South Africa, Kenya, and other DFC-eligible countries, helping businesses in sectors from agriculture to financial services access the services that are essential to participating in the global economy.

Supporting fintech lenders in Africa and Asia

One of the many ways improved access to technology can advance development is by bringing financial services to some of the 2 billion adults—most in the developing world—who lack access to formal banking systems. Although traditional banks have not always served this population, newer financial technologies are building solid track records of successfully reaching them. DFC financing to **Lendable Inc.'s** Fintech Credit Fund (FCF) will support lending to fintech companies in Africa and Asia including micro, small, and medium enterprises (MSMEs) lenders, digital marketplaces, payment platforms and consumer lenders. Lendable has developed an advanced data analysis system to support underwriting of potential borrowers and regular monitoring of clients. The fund estimates that DFC's support will help 410,000 people gain access to financial services, and that 373,000 people will also gain improved energy access through solar fintechs.

Extending mobile commerce in rural Kenya

A DFC equity investment is helping **Copia**, a last-mile mobile commerce company that sells essential household and construction goods reach more low- and middle-income customers in rural areas in Kenya and Uganda. The typical Copia customer is a woman earning between $2 and $10 a day working on a farm or small business who lacks a bank account or a debit or credit card and has limited access to brick-and-mortar stores. Copia has invested in technology and logistics to build an efficient delivery system.

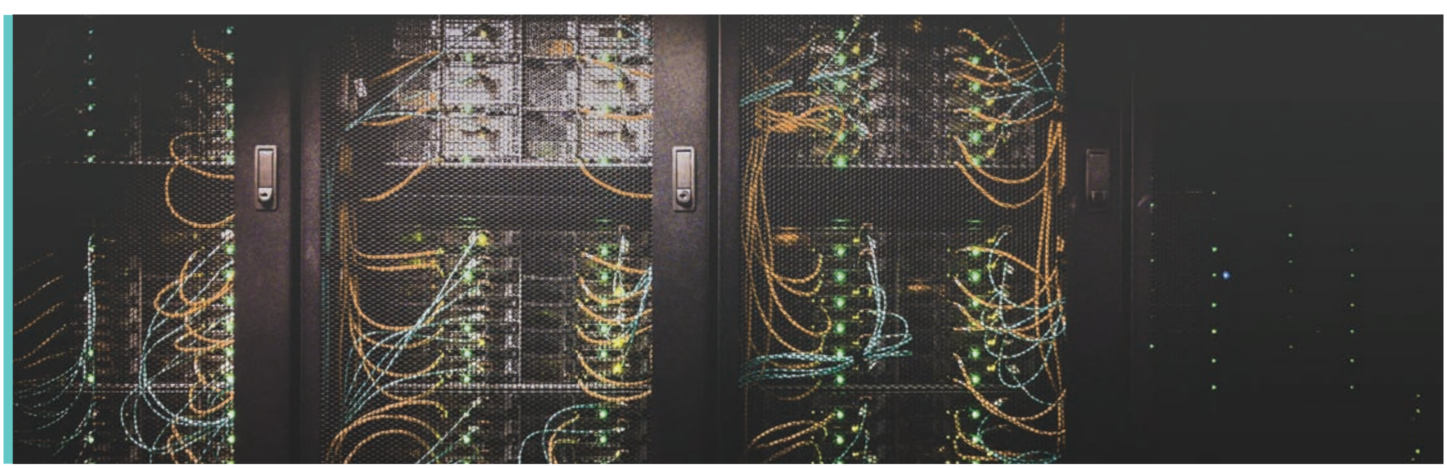
Bringing fintech to SMEs in Central America

DFC financing to **Financia Credit S.A.** will help business owners in Costa Rica, El Salvador, Guatemala and Honduras access working capital by expanding access to Financia's fintech products. Use of these products, such as credit cards and management platforms, help SMEs improve efficiency and lower costs by limiting cash-based transactions. With the support of DFC's loan, Financia expects to more than triple its client base, with 68 percent of the expansion focused on Central America's Northern Triangle.

Investing equity in innovation

India has one of the largest ecosystems for technology startups in the world but suffers from a shortage of early- stage funding. **Chiratae Ventures International Fund IV LLC** is an investment fund focused on investing in tech-led businesses in India. The team has a demonstrated track record of generating returns with impact, and has supported multiple promising startups in the education, agriculture, and technology sectors. These include a software business that helps farmers forecast yields, a mobile platform to help rickshaw drivers optimize routes, and an online insurance platform to help consumers research and compare rates. DFC's equity investment in Chiratae is enabling the fund to make more investments in early-stage health tech, fintech, agri-tech, consumer media and technology, and software-as-a-service (SaaS) companies in India.

DFC also committed equity to **Openspace Ventures Plus, L.P.**, which invests in mid- and later-stage technology companies in Southeast Asia, where consumer adoption of digital technology lags significantly behind the rest of Asia. Openspace will focus investments on Vietnam- and Indonesia-based technology companies working to build financial inclusion, access to healthcare, and education.




ABIERTO
Bienvenidos

2021 Investment Activities

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Investment Guaranty	IndusInd - Riviera Investors Pvt. Ltd.	5,500,000.00	Expansion of the borrower's micro-, small- and medium-enterprise loan portfolio.	India	Indo-Pacific
Direct Investment	Sabre Partners Fund - SP Fund 2019	15,000,000.00	Investments in small and medium businesses operating in the healthcare and financial service sectors.	India	Indo-Pacific
Direct Investment	Hattha Bank PLC	50,000,000.00	Microfinance lending primarily focused on women in rural areas.	Cambodia	Indo-Pacific
Equity	National Investment and Infrastructure Master Fund (NIIF)	54,910,000.00	Investments in core infrastructure sectors such as roads, ports, airports, logistics, electricity, and renewable energy.	India	Indo-Pacific
Equity	National Investment and Infrastructure Fund Ltd. (NIIF)	1,251,117.07	Fund manager sponsored by the Government of India that manages funds including National Investment and Infrastructure Fund.	India	Indo-Pacific
Direct Investment	UC Inclusive Credit Private Limited	5,000,000.00	Lending to entities focused on agriculture, education, financial inclusion, healthcare, renewable energy, and women's empowerment.	India	Indo-Pacific
Investment Guaranty	cKers Finance	2,500,000.00	One lender in a multi-party loan portfolio guaranty supporting lending in renewable energy.	India	Indo-Pacific
Investment Guaranty	Electronica Finance Limited	10,000,000.00	One lender in a multi-party loan portfolio guaranty supporting investment in renewable energy.	India	Indo-Pacific
Direct Investment	Sanasa Development Bank	40,000,000.00	Onlending to SMEs with a focus on women-owned SMEs.	Sri Lanka	Indo-Pacific
[redacted]	[redacted]	[redacted]	[redacted]	Afghanistan	Indo-Pacific

Information has been Redacted in accordance with the two principled exceptions of the Foreign Aid Transparency and Accountability Act (FATAA) of 2016; including the health and security of implementing partners, as well as national interest of the United States.

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Investment Guaranty	PT Resilience COVID Indonesia	28,000,000.00	A 70 percent portfolio guaranty to support lending to healthcare facilities and SMEs providing essential goods in the food value chain.	Indonesia	Indo-Pacific
Direct Investment	First Finance PLC	5,000,000.00	Expansion of onlending portfolio for housing finance.	Cambodia	Indo-Pacific
Investment Guaranty	Edu Growth Capital Management Pte. Ltd.	8,000,000.00	Support for increased local currency lending in the education sector.	Indonesia	Indo-Pacific
Direct Investment	DFCC Bank PLC	150,000,000.00	Onlending to MSMEs with a focus on women-owned and -led MSMEs.	Sri Lanka	Indo-Pacific
Direct Investment	National Development Bank PLC	75,000,000.00	Onlending to SMEs with a focus on women-owned SMEs.	Sri Lanka	Indo-Pacific
Direct Investment	Motilal Oswal Home Finance Limited	50,000,000.00	Lending for mortgages to low- and middle-income borrowers.	India	Indo-Pacific
Direct Investment	Patamar II	19,500,000.00	High-impact fund for Southeast Asia focused on improving livelihoods of low-income populations.	Asia Regional	Indo-Pacific
Direct Investment	Fulbright University Vietnam Corporation	37,048,855.00	Construction and operation of the first phase of a new campus in Ho Chi Minh City.	Vietnam	Indo-Pacific
Direct Investment	NeoGrowth Credit Private Limited	20,000,000.00	Short-term term loans to disadvantaged small businesses.	India	Indo-Pacific
Investment Guaranty	Kotak Mahindra Bank Limited	24,500,000.00	Loan portfolio guaranty to support women's economic empowerment.	India	Indo-Pacific
Equity	Chiratae Ventures International Fund IV LLC	20,000,000.00	Investments in early-stage and expansion- stage technology businesses.	Asia Regional	Indo-Pacific
Investment Guaranty	Samunnati Financial Intermediation & Services Private Limited	12,500,000.00	Multi-party loan guaranty supporting lending to agriculture businesses.	India	Indo-Pacific
Investment Guaranty	Maanaveeya Development & Finance Private Limited	7,500,000.00	Support for businesses that create jobs and income for disadvantaged people.	India	Indo-Pacific

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Investment Guaranty	Avanti Finance Private Limited	7,500,000.00	Financial services for the agriculture sector.	India	Indo-Pacific
Direct Investment	India Shelter Finance Corporation limited	30,000,000.00	Funding for mortgages with a focus on low-income women borrowers.	India	Indo-Pacific
Equity	Openspace Ventures Plus, L.P. ("OSV+")	30,000,000.00	Mid- and later-stage venture fund investing in impactful Southeast Asian technology companies.	Asia Regional	Indo-Pacific
Direct Investment	CreditAccess Grameen Limited	35,000,000.00	Expansion of microfinance portfolio with a focus on lending to rural women.	India	Indo-Pacific
Investment Guaranty	HDFC-Mastercard W-GDP Loan Portfolio Guaranty	50,000,000.00	Loan portfolio guaranty supported by USAID/India for lending to SMEs in partnership with MasterCard, with a focus on women-owned businesses.	India	Indo-Pacific
Direct Investment	Biological E. Limited	50,000,000.00	COVID-19 vaccine manufacturing for primary distribution across Asia.	India	Indo-Pacific
Investment Guaranty	Healthvista India Private Limited (Portea Medical)	7,700,000.00	Out-of-hospital healthcare company.	India	Indo-Pacific
Equity	Dolma Impact Fund II	12,000,000.00	Investments in Nepal's technology, healthcare, and renewable energy sectors with a focus on high-impact deals tied to the UN's SDGs.	Nepal	Indo-Pacific
Equity	Integra Partners Fund II L.P.	10,000,000.00	Venture capital fund taking an impact- oriented approach to expand access to healthcare, insurance and financial services.	Asia Regional	Indo-Pacific
Investment Guaranty	WBC - Ess Kay Fincorp Private Limited	14,625,000.00	Expansion of lending portfolio for MSME purchases of commercial vehicles.	India	Indo-Pacific
Investment Guaranty	AryaDhan Financial Solutions Pvt Limited	9,999,000.00	Commodity-backed post-harvest loans to MSMEs.	India	Indo-Pacific
Investment Guaranty	WBC - Sonata Finance Private Limited	7,800,000.00	Expansion of microfinance portfolio serving rural women at the bottom of the pyramid.	India	Indo-Pacific
Investment Guaranty	Green Agrevolution Private Limited (DeHaat)	9,999,000.00	One-stop shop for farmers providing advice, inputs, and marketing.	India	Indo-Pacific

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Direct Investment	Abound Capital Master Fund I Pte. Ltd.	10,000,000.00	Venture debt fund focused on South and Southeast Asia, excluding India.	Asia Regional	Indo-Pacific
Investment Guaranty	Nationwide Microbank Limited	2,500,000.00	Loan portfolio guaranty to support loans to SMEs with a focus on supporting women's economic empowerment and the COVID response.	Papua New Guinea	Indo-Pacific
Investment Guaranty	Origo Commodities India Pvt Ltd	19,929,307.99	Expansion of structured trade product combining procurement, warehousing, and financing for traders and processors.	India	Indo-Pacific
Investment Guaranty	Punjab Renewable Energy Systems	10,000,000.00	Construction of seven biomass briquetting plants and working capital needs for a biomass supply company.	India	Indo-Pacific
Direct Investment	JSC Bank of Georgia	100,000,000.00	Liquidity facilities for the bank's MSME clients impacted by the economic crisis resulting from COVID-19.	Georgia	Eastern Europe and Eurasia
Investment Guaranty	OCN Prime Capital SRL	3,000,000.00	Expanded credit to MSMEs impacted by COVID-19.	Moldova	Eastern Europe and Eurasia
Insurance	GAVI Alliance	7,650,000.00	Purchase of COVID-19 vaccines from vaccine manufacturers upon allocation of doses by Gavi.	Albania	Eastern Europe and Eurasia
Insurance	GAVI Alliance	1,700,000.00	Purchase of COVID-19 vaccines from vaccine manufacturers upon allocation of doses by Gavi.	Montenegro	Eastern Europe and Eurasia
Insurance	GAVI Alliance	4,000,000.00	Purchase of COVID-19 vaccines from vaccine manufacturers upon allocation of doses by Gavi.	Armenia	Eastern Europe and Eurasia
Investment Guaranty	BC Moldova-Agroindbank S.A.	7,000,000.00	Loan portfolio guaranty with MAIB (Moldova Agroindbank).	Moldova	Eastern Europe and Eurasia
Direct Investment	Banco Improsa, S.A.	15,000,000.00	Loans to SMEs and 2X-eligible enterprises.	Costa Rica	Latin America and the Caribbean

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Direct Investment	Banco Centroamericano de Integración Económica	100,000,000.00	Loan to alleviate COVID-19 impacts of its financial intermediaries in El Salvador, Guatemala, and Honduras.	Latin America Regional	Latin America and the Caribbean
Direct Investment	Sudameris Bank S.A.E.C.A. (COVID-response facility)	93,750,000.00	Follow-on facility to support SMEs in Paraguay impacted by COVID-19.	Paraguay	Latin America and the Caribbean
Direct Investment	Imperative Investment I	19,800,000.00	Financing for construction and buyer financing for low-income housing and community services.	Mexico	Latin America and the Caribbean
Direct Investment	Hospifuturo S.A.	18,450,000.00	Expansion of hospital.	Ecuador	Latin America and the Caribbean
Direct Investment	Banco de la Producción S.A.	150,000,000.00	Onlending to 2X and SME downstream borrowers.	Ecuador	Latin America and the Caribbean
Direct Investment	Forest First Colombia S.A.S.	22,000,000.00	Expansion of a sustainable forestry plantation on degraded land in eastern Colombia, one of the country's poorest regions.	Colombia	Latin America and the Caribbean
Investment Guaranty	GIFF-MFI-Consejo de Asistencia al Microemprendedor	11,665,500.00	Microfinance lending to low-income borrowers.	Mexico	Latin America and the Caribbean
Insurance	Touchstone Gold Holdings S.A.	25,000,000.00	Development of a open pit gold mine in Segovia, Colombia.	Colombia	Latin America and the Caribbean
Direct Investment	CrediQ IV	92,307,692.00	Onlending in El Salvador and Costa Rica to borrowers impacted by COVID-19.	El Salvador and Costa Rica	Latin America and the Caribbean
Direct Investment	Banco BTG Pactual S.A.	300,000,000.00	Expansion of SME lending with focus on women-owned SMEs and those located in economically disadvantaged regions of Brazil.	Brazil	Latin America and the Caribbean

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Direct Investment	Financia Credit	10,000,000.00	Financial technology firm offering card- and web-based payment and working capital solutions to SMEs and large companies in Central America.	Latin America Regional	Latin America and the Caribbean
Direct Investment	Avenida Colombia Real Estate Fund II, L.P. - B	4,279,500.00	Investment in residential projects, retail centers, and housing solutions, and retail offerings in low- and middle-income communities.	Colombia	Latin America and the Caribbean
Direct Investment	La Hipotecaria, S.A. de C.V.	10,000,000.00	Short-term liquidity to assist mortgage company with COVID 19 response.	El Salvador	Latin America and the Caribbean
Investment Guaranty	AyC Colanta LPG	6,000,000.00	Support for rural development to increase lending for association, cooperatives, and farmers for cassava and dairy production.	Colombia	Latin America and the Caribbean
Investment Guaranty	Crezcamos S.A. Compañía de Financiamiento	4,800,000.00	Loan portfolio guaranty for vulnerable populations, including Venezuela migrants and receptor communities.	Colombia	Latin America and the Caribbean
Direct Investment	Banco D-MIRO S.A.	10,000,000.00	Expanded microfinance lending for female borrowers and other microenterprises.	Ecuador	Latin America and the Caribbean
Investment Guaranty	WBC - Banco Solidario	9,750,000.00	Expanded onlending to microenterprises.	Ecuador	Latin America and the Caribbean
Direct Investment	Banco Sofisa, S.A.	45,000,000.00	Onlending to SMEs with focus on those operating in the Legal Amazon.	Brazil	Latin America and the Caribbean
Insurance	GAVI Alliance	50,000,000.00	Breach of Contract insurance to support its procurement of COVID-19 vaccines.	Guatemala	Latin America and the Caribbean
Insurance	GAVI Alliance	4,800,000.00	Purchase of COVID-19 vaccines from vaccine manufacturers upon allocation of doses by Gavi.	Jamaica	Latin America and the Caribbean

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Insurance	GAVI Alliance	50,000,000.00	Purchase of COVID-19 vaccines from vaccine manufacturers upon allocation of doses by Gavi.	Argentina	Latin America and the Caribbean
Insurance	GAVI Alliance	250,000,000.00	Breach of Contract coverage to support procurement of COVID-19 vaccines.	Brazil	Latin America and the Caribbean
Insurance	GAVI Alliance	1,600,000.00	Purchase of COVID-19 vaccines from vaccine manufacturers upon allocation of doses by Gavi	Suriname	Latin America and the Caribbean
Insurance	The Nature Conservancy	425,000,000.00	Sovereign debt restructuring to finance marine conservation.	Belize	Latin America and the Caribbean
Direct Investment	Destino Desarrollos Inmobilarios Compania Limitada	19,500,000.00	Expansion of affordable housing construction.	Guatemala	Latin America and the Caribbean
Investment Guaranty	Banco De Las Microfinanzas - Bancamía S.A	5,000,000.00	Loan portfolio guaranty for vulnerable populations, including migrants and receptor communities.	Colombia	Latin America and the Caribbean
Investment Guaranty	WBC - Cooperativa de Ahorro y Crédito Pacífico	9,750,000.00	Expanded lending to small- and medium-sized enterprises.	Peru	Latin America and the Caribbean
Investment Guaranty	Smart RJ Concessionaria	267,000,000.00	Provision of public lighting services and smart city infrastructure throughout the city of Rio de Janeiro.	Brazil	Latin America and the Caribbean
Investment Guaranty	Banco Davivienda Salvadoreño, S.A	15,500,000.00	Loan portfolio guaranty to expand lending to SMEs that support gender equity and inclusion and those impacted by the COVID-19 pandemic.	El Salvador	Latin America and the Caribbean
Investment Guaranty	Banco Internacional S.A.	15,000,000.00	Expanded lending to SMEs, particularly those in the Western Highland of Guatemala and other departments that have high migration rates	Guatemala	Latin America and the Caribbean

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Insurance	Sunfinder Solar Energy Transformation Fund	2,000,000.00	Financing of solar power plant under Sunfunder's Beyond the Grid Fund.	Jordan	North Africa/ Middle East
Direct Investment	Near East Foundation UK	10,000,000.00	Entrepreneurship program to provide sustainable livelihoods for refugees and their host communities.	Middle East Regional	North Africa/ Middle East
Direct Investment	Pearl Petroleum Company Limited	250,000,000.00	Expansion of natural gas processing capacity in the Kurdistan Region of Iraq.	Iraq	North Africa/ Middle East
Investment Guaranty	MEII 3 - Bank of Jordan 2	1,000,000.00	Additional support for expansion of Bank of Jordan's SME lending portfolio.	West Bank	North Africa/ Middle East
Investment Guaranty	Partners for Micro Credit (Vitas Jordan)	50,000,000.00	Loan guaranty facility supporting SME lending.	Jordan	North Africa/ Middle East
Insurance	GAVI Alliance	13,700,000.00	Breach of Contract coverage to support procurement of COVID-19 vaccines.	Jordan	North Africa/ Middle East
Technical Assistance	Scatec Iraq Solar PV	979,000.00	Feasibility study to support the construction of two solar PV power plants.	Iraq	North Africa/ Middle East
Technical Assistance	MEII LGF 3 Technical Assistance	3,529,721.00	Technical assistance to increase the impact of SME lending in the West Bank.	West Bank And Gaza	North Africa/ Middle East
Investment Guaranty	Scale-MSME-mPharma Data Inc.	4,500,000.00	Expansion of supply chain, inventory management and retail pharmacy operations.	Africa Regional	Sub-Saharan Africa
Direct Investment	Copia Global (loan)	5,000,000.00	Bridge loan to cover Copia's needs until equity transaction disbursed.	Africa Regional	Sub-Saharan Africa
Insurance	Development Alternatives Inc. (DAI)	850,000.00	Support for the Government of the DRC by implementing USAID's Integrated Governance Activity (IGA) program.	Democratic Republic of the Congo	Sub-Saharan Africa
Insurance	Development Alternatives Inc. (DAI)	850,000.00	Support for Government of Zambia program to reduce stunting among children under two years of age.	Zambia	Sub-Saharan Africa
Insurance	ExxonMobil Mozambique Limitada	1,500,000,000.00	Development of offshore gas production to process liquefied natural gas.	Mozambique	Sub-Saharan Africa

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Direct Investment	SA Taxi Impact Fund (RF) Proprietary Limited II	150,000,000.00	Expansion of lending portfolio to entrepreneurs operating minibuses.	South Africa	Sub-Saharan Africa
Equity	Kasha Global Inc.	1,000,000.00	Support for e-commerce company providing personal care and healthcare products to low-income women in Kenya and Rwanda.	Kenya	Sub-Saharan Africa
Investment Guaranty	Stichting Cordaid	14,750,000.00	Loan portfolio guaranty to catalyze private capital and credit enhancement for SME lending in West African countries.	Africa Regional	Sub-Saharan Africa
Direct Investment	Nithio FI B.V.	10,000,000.00	Expanded access to off-grid energy products/services.	Africa Regional	Sub-Saharan Africa
Direct Investment	Africa Data Centres	300,000,000.00	Acquisition, development, construction and operation of data centers in South Africa, Kenya, and other DFC eligible countries.	Africa Regional	Sub-Saharan Africa
Direct Investment	Lending for Education in Africa Partnership (LEAP)	4,000,000.00	Affordable student loans and student support services to low- and middle-income college students.	Kenya	Sub-Saharan Africa
Insurance	Heaven Holdings LTD	3,690,000.00	Expansion of hotel complex in Kigali, Rwanda.	Rwanda	Sub-Saharan Africa
Investment Guaranty	FY21 CRDB Bank - Tanzania Loan Portfolio Guarantee	4,400,000.00	Loan portfolio guarantee to support lending in health sector, with a focus on supporting women and youth.	Tanzania	Sub-Saharan Africa
Direct Investment	Africa Healthcare Network	5,000,000.00	Expanded access to affordable, high-quality dialysis services.	Africa Regional	Sub-Saharan Africa
Direct Investment	International Bank (Liberia) Limited	20,000,000.00	Long-term SME lending in Liberia.	Liberia	Sub-Saharan Africa
Direct Investment	Franchise Impact Solutions Facility	1,383,000.00	Expansion financing to SPV for impact SME starting with Jibu in Uganda and Rwanda.	Africa Regional	Sub-Saharan Africa
Technical Assistance	Institut Pasteur Dakar	3,300,000.00	Technical assistance to support project development work for a COVID-19 vaccine manufacturing facility.	Senegal	Sub-Saharan Africa
Equity	Convergence Partners Digital Infrastructure Fund	25,000,000.00	Investments in digital infrastructure in Africa.	Africa Regional	Sub-Saharan Africa

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Direct Investment	CECA SL Generation Limited	217,000,000.00	Development of 87 MW power generation plant in Freetown, Sierra Leone.	Sierra Leone	Sub-Saharan Africa
Investment Guaranty	Medical Credit Fund II Cooperatief U.A.	17,780,000.00	Lending to healthcare SMEs in Sub-Saharan Africa in response to COVID-19.	Africa Regional	Sub-Saharan Africa
Direct Investment	Aspen Finance Proprietary Ltd	118,764,845.61	Debt to and support for operations, including production of vaccines and other therapeutics.	South Africa	Sub-Saharan Africa
Direct Investment	57 Stars Direct Impact	50,000,000.00	Co-investment fund investing in impact-focused portfolio companies across emerging markets.	Kenya	Sub-Saharan Africa
Direct Investment	Lendable Inc.	20,000,000.00	Lendable MSME Fintech Credit Fund provides debt facilities to fintech companies operating in Africa and Asia that promote greater financial inclusion.	Africa Regional	Sub-Saharan Africa
Equity	Atlantica Ventures Fund 1	10,000,000.00	African impact-focused venture capital fund investing in tech and tech-enabled startups.	Africa Regional	Sub-Saharan Africa
Equity	Copia Global Inc.	4,999,998.62	Mobile commerce company delivering essential goods to low- and middle- income consumers in Kenya.	Africa Regional	Sub-Saharan Africa
Direct Investment	Zamuka Future of Work Fund PLC	7,000,000.00	Income share agreements to help marginalized youth in sub-Saharan Africa access education.	Africa Regional	Sub-Saharan Africa
Investment Guaranty	SCALE-MSME-Babban Gona Farmer Services Nigeria Lim	9,999,000.00	Line of credit facility to finance inputs and onlending to smallholder farmers.	Nigeria	Sub-Saharan Africa
Direct Investment	Apollo Agriculture, Inc.	9,500,000.00	Microloans and inputs for smallholder farmers in Kenya.	Kenya	Sub-Saharan Africa
Direct Investment	Spark+ Africa Fund	10,000,000.00	Investments to support the delivery of high-impact clean cooking solutions.	Africa Regional	Sub-Saharan Africa
Equity	BluePeak Private Capital Fund, SCSp	30,000,000.00	Credit to growing medium-sized companies, primarily in Africa.	Africa Regional	Sub-Saharan Africa
Direct Investment	Ampersand Rwanda Ltd.	9,000,000.00	Expansion of an electric motorcycle taxi company.	Rwanda	Sub-Saharan Africa

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Investment Guaranty	Compagnie Générale de Banque (Cogebanque)	7,008,760.00	Loan portfolio guaranty with Cogebanque to support lending to agriculture SMEs, with support from USAID/Rwanda.	Rwanda	Sub-Saharan Africa
Investment Guaranty	Orabank Niger	3,000,000.00	Loan portfolio guaranty to encourage lending in Niger's agriculture and livestock sectors aligned with USAID/ Niger's resilience strategy.	Niger	Sub-Saharan Africa
Investment Guaranty	UCCMS Senegal Loan Portfolio Guaranty	10,000,000.00	Microfinance lending to agriculture and WASH SMEs aligned with USAID/ Senegal's priorities.	Senegal	Sub-Saharan Africa
Technical Assistance	Taiba Wind Farm Expansion	590,000.00	Feasibility study for a grid study, wind measurements and identification of land users for the expansion of the existing DFC-financed wind farm.	Senegal	Sub-Saharan Africa
Technical Assistance	Ifria	343,000.00	Feasibility studies for Ifria's cold chain anchor hubs in Senegal and Morocco.	Africa Regional	Sub-Saharan Africa
Investment Guaranty	Caisse Regionale de Refinancement Hypothecaire	256,000,000.00	Long-term financing to a wholesale financial institution that supports mortgage lending in CFA countries.	Africa Regional	Sub-Saharan Africa
Technical Assistance	Atlantica Ventures Fund Tech Platform	359,370.00	Technical assistance to design, implement, and launch a digital database with machine learning data analysis capabilities.	Africa Regional	Sub-Saharan Africa
Investment Guaranty	Sidian Bank Limited	4,000,000.00	Loan portfolio guaranty to support lending to health SMEs, with support from USAID/Kenya.	Kenya	Sub-Saharan Africa
Technical Assistance	Lending for Education in Africa Partnership (LEAP) Technical Assistance	282,104.00	Technical assistance to improve IT platform and increase share of female students.	Kenya	Sub-Saharan Africa
Direct Investment	ETG	50,000,000.00	Working capital loan for commodity trade finance activities for maize, cashews, and pulses in Mozambique, Zambia, and Tanzania.	Mozambique	Sub-Saharan Africa
Investment Guaranty	Absa Bank Mozambique, SA	8,250,000.00	Loan portfolio guaranty to support lending to SMEs, particularly agriculture SMEs, with support from USAID/Mozambique.	Mozambique	Sub-Saharan Africa

PROJECT TYPE	PROJECT NAME	AMOUNT	PROJECT DESCRIPTION	COUNTRY	REGION
Direct Investment	BlueOrchard COVID-19 Emerging and Frontier Markets	45,000,000.00	Support for microfinance and other financial institutions supporting MSMEs impacted by the COVID-19 pandemic.	Worldwide	Worldwide
Investment Guaranty	Trine AB	10,000,000.00	MSME lending.	Worldwide	Worldwide
Direct Investment	Sarona Global Growth Markets PE Fund 2-B LP	100,000,000.00	Investment in private equity funds targeting high-growth companies in frontier markets with strong ESG standards.	Worldwide	Worldwide
Direct Investment	MISIF LLC	20,000,000.00	Agri SME lending facility in Africa via a charitable network.	Worldwide	Worldwide
Direct Investment	Parsyl Syndicate Limited	25,000,000.00	Loan to facilitate cost-effective insurance policies for shipments of vaccines and medical products to developing countries.	Worldwide	Worldwide
Direct Investment	Microvest EDF Master Fund Ltd.	48,000,000.00	Expansion of fund lending to microfinance institutions and other responsible financial institutions globally.	Worldwide	Worldwide
Direct Investment	DFC-MASSIF COVID-19 Response Co-Financing Facility	50,000,000.00	Loans to financial intermediaries facing COVID-19-related liquidity constraints, with a focus on those lending to MSMEs.	Worldwide	Worldwide
Direct Investment	Global Partnerships Impact First Growth Fund (IFGF)	37,500,000.00	2X and COVID response debt fund lending to highly impactful social enterprises that expand opportunity for people living in poverty.	Worldwide	Worldwide
Direct Investment	Energy Access Relief Fund B.V.	10,000,000.00	Support for off-grid energy providers impacted by COVID-related liquidity constraints.	Worldwide	Worldwide
Direct Investment	BUILD Fund S.A., SICAV-RAIF	10,000,000.00	Financing for high-impact SMEs in Least Developed Countries.	Worldwide	Worldwide
Equity	PG Impact Credit Strategies 2020 S.C.A., SICAV RAIF	25,000,000.00	Financing to SMEs in the financial inclusion, healthcare, food security, education, and energy access sectors.	Worldwide	Worldwide
Technical Assistance	Parsyl Risk Management Accelerator	2,250,800.00	Technical assistance to reduce risk and strengthen supply chains for the delivery of COVID-19 vaccines and other healthcare commodities.	Worldwide	Worldwide

2021 Portfolio Company Investments

FUND NAME	PORTFOLIO COMPANY	COUNTRY/ REGION	DESCRIPTION
AfricInvest Fund IV LLC	CMGP SA	Morocco	Irrigation equipment and services
	Fidelity Bank, Ltd.	Ghana	Commerical bank
Asia Partners I LP	Commeasure Pte Ltd (RedDoorz)	Singapore	Hospitality company
	Carsome	Malaysia	Automotive e-commerce marketplace
	SnapAsk	Southeast Asia	Online education platform
	SCI Ecommerce	Singapore	Cross-border e-commerce enabler
	Gudangada Pte. Ltd	Indonesia	B2B fast-moving consumer goods marketplace
	Doctor Anywhere Pte. Ltd.	Singapore	Omnichannel healthcare provider
Chiratae Ventures International Fund IV LLC	Abita Innovations Private Limited	India	B2B for dental supplies
	Acquire, Inc.	India	Creative intelligence and marketing technology
	Aether Biomedial Sp, Z.o.o	India	Medical robotics company
	Alpha Digital Health Pvt Ltd.	India	Digital-first platform for healthcare
	Beep Innovations Private Limited	India	Fuel-agnostic platform to digitize and organize the used-2-wheeler (2W) market
	Brainbees Solutions Private Limited	India	E-commerce platform for baby care & beauty products
	Byelearn Inc.	India	AI-based math solver for student assistance
	Chakadola Technologies Private Limited	India	Video-first sales intelligence platform
	Cropin Technology Solutions Private Limited	India	SaaS ERP & data analytics platform for agri businesses
	DreamVu Inc.	India	Omnidirectional 3D vision system
	Ergos Business Solutions Private Limited	India	Integrated micro-warehousing and agri-marketplace platform for farmers

FUND NAME	PORTFOLIO COMPANY	COUNTRY/ REGION	DESCRIPTION
	Getvantage Tech Pvt Ltd.	India	Revenue Based Financing (RBF) tech platform for digital first brands
	Globalbees Brands Private Limited	India	Acquires D2C micro brands and scales them up on e-commerce platforms
	HealthifyMe Wellness Products & Services Pvt. Ltd.	Singapore	Digital platform for health and wellness
	Hevo Data, Inc.	India	Cloud-based real-time data pipeline platform
	KBCols Sciences Pvt Ltd.	India	Natural color extraction from microbes
	Lenskart Solutions Private Limited	India	India's largest eyewear brand
	Local AI Inc.	India	Operational analytics SaaS
	Locofast Online Services Pvt Ltd.	India	B2B marketplace for garment manufacturers and apparel brands
	Newbazaar Technologies Private Limited	India	A unified platform for banks to integrate their EMI options at PoS
	PB Fintech Private Limited	India	Online insurance distributor
	R N Chidakashi Technologies Private Limited	India	India's first companion robot for kids
	Reallearning Technologies Private Limited	India	AI based homework and assessments platform
	SquadRun, Inc.	India	Data intelligence-driven software
	Targetone Innovations Private Limited	India	Auto repair and maintenance marketplace
	Uable Pte Ltd.	Singapore	Ed-tech platform player solely focused on early learning and career discovery for children
	Uniphore Technologies, Inc.	India	Speech recognition platform
	Vianam Healthtech Private Limited	India	One stop platform for patients' hospitalization needs

FUND NAME	PORTFOLIO COMPANY	COUNTRY/ REGION	DESCRIPTION
	Wandx Solutions Pvt Ltd.	India	Supply chain traceability platform built on Blockchain technology
ECP Africa Fund IV	Mukuru Africa Pty Ltd.	South Africa	Money remittance business focused on serving low- and middle-income migrants
	Atinkou	Cote d'Ivoire	Combined cycle power generation to meet regional electricity needs
Gazelle Fund LP	Apaga Tour LLC	Armenia	Recreational and hospitality services
	Arsev LLC	Armenia	Contractor of infrastructure projects, construction materials producer
	Bumba	Georgia	Production of plastic and aluminum beverage packaging products
	Dak Group LLC	Armenia	Aluminum foil capsule coffee manufacturer and wholesaler
	David Construction LLC	Armenia	Construction services
	Degusto	Georgia	Chain of fast and casual food restaurants
	Forest Fair LLC	Armenia	Grape cultivation and restaurant complex
	Fruit Logistics LLC	Georgia	Transportation and logistics of fruits and vegetables
	Global Parts LLC	Armenia	Retailer of spare parts for trucks, construction and agricultural machines
	GNGK LLC	Armenia	Auto parts and repairment services
	Gold Plast LLC	Armenia	Styrofoam production
	Manna LLC	Georgia	Processing and packaging fermented tea
	Mosmieri	Georgia	Wine chateau and restaurant
	Nout.am LLC	Armenia	Online retailer and AI developer
	Nutsge	Georgia	Hazelnut processing plant

FUND NAME	PORTFOLIO COMPANY	COUNTRY/ REGION	DESCRIPTION
	Ordunet	Georgia	Wi-fi and fiber-optic internet provider
	Raymann LLC	Georgia	Outpatient clinic
	Saniore	Georgia	Wine production
	Smart Energy Technologies LLC	Armenia	Installer of solar power plants
	Sonati LLC	Armenia	Producer of household textiles
LeapFrog Emerging Consumer Fund III	AIICO	Nigeria	Insurance Services
	BIMA	Global	Digital health and insurance provider
	Fincare Small Finance Bank, Ltd.	India	Microfinance institution providing loans and savings to financially underserved
	MeGenome	Global	Genetics-driven research and diagnostics
	Pasarpolis	Indonesia	Insurtech
	SoftLogic	Sri Lanka	Insurance solutions provider
National Investment & Infrastructure Fund	Athaang Devanahalli Tollway Pvt. Ltd.	India	Operating roads
	Athaang Dichpally Tollway Pvt. Ltd.	India	Operating roads
	Athaang Infrastructure Pvt. Ltd.	India	Roads development
	Ayana Renewable Power Pvt. Ltd.	India	Utility-scale renewables
	Hindustan Infralog Pvt. Ltd.	India	Ports and logistics
	Intellismart Infrastructure Pvt. Ltd.	India	Smart metering platform
Navis Asia Fund VIII, L.P.	Hernan Corporation Sdn. Bhd	Malaysia	Durian fruit products producer
Quadria Capital Fund II PAR L.P.	Nobel Hygiene Private Limited	India	Marketing and manufacturing of disposable hygiene products across adult, feminine and baby segments
	PT Medikaloka Hermina Tbk	Indonesia	Hospital group

FUND NAME	PORTFOLIO COMPANY	COUNTRY/ REGION	DESCRIPTION
Sarona Global Growth Markets PE Fund 2-B, LP	2Go Group, Inc.	Philippines	Integrated logistics and transportation provider
	Apis Growth Fund II, L.P.	Asia and Africa	Private equity fund focusing on Asia and Africa
	Archipelago Asia Focus Fund II, L.P.	South East Asia	Small- to mid-market private equity investment funds
	Busybees Logistics Solutions Pvt. Ltd.	India	E-commerce logistics service provider
	Despegar.com Corp.	Latin America	Online travel company
	Gaja Capital Fund IV	India	PE Fund focused on education, financial services, consumer, healthcare
	Innova/6 SCA SICAV-RAIF	Central Europe	Private equity fund
	L Catterton Latin America III, L.P.	Latin America	Private equity fund focused on middle-market business
	MaxAB	Egypt	Food and grocery B2B e-commerce and distribution platform
	Mediterrania Capital III, L.P.	North Africa	Growth-stage SME fund
	Mekong Enterprise Fund III	Vietnam	Vietnamese-focused private equity fund
	Mekong Enterprise Fund IV, L.P.	Vietnam	Vietnamese-focused private equity fund
	Oria Fund III, L.P.	Brazil	IT-focused private equity fund
	South Asia Growth Fund II, L.P.	India	PE fund focused on energy efficiency, clean energy value chain, water, waste, food and agriculture
	Zenvia Mobile Servicos Digitais S.A.	Brazil	End-to-end communications platform
Somerset Indus Healthcare Fund II	Genworks Health Pvt. Ltd.	India	Medtech distribution platform for medical services
South Asia Growth Fund II, L.P.	ESDS Software Solution Private, Ltd.	India	Managed data center and cloud hosting solutions
	3SC	India	Supply chain decarbonizations solutions provider

FUND NAME	PORTFOLIO COMPANY	COUNTRY/ REGION	DESCRIPTION
	Premier Energies	India	Integrated solar cell and module manufactuer
	Prince Pipes and Fittings, Ltd.	India	Manufacturer and distributor of water pipes & fittings
	SeedWorks International Pvt. Ltd.	India	Breeding, production and marketing of hybrid seeds
	Syrma Technology Private, Ltd.	India	Industry leader in RFID, magnetics and momtor controller solutions
SPE AIF I, LP	Ademat	Cote d'Ivoire	Power security solutions
	Amanys Pharma	Morocco	Manufacturer of antibiotics and injectable solutions
	Future Pharmaceuticals Industries	Eqypt	Production of generic medicines and manufacturing for third parties
	H&S Invest Holding	Morocco	Leading FMCG distributor
	Holged Tunisie	Tunisia	Private K–12 education provider
WWBCP II Non-SSA	Aflore SAS	Colombia	Micro-enterprise finance
	PT Amartha Mikro Fintek	Indonesia	Micro-enterprise finance
	SEWA GRIH RIN, Ltd.	India	Housing Finance
WWBCP II SSA	Pula	Kenya	Agriculture insurance
Convergence Partners Digital Infrastructure Fund	Ctrack	South Africa	Telematics software-as-a-service vendor
Openspace Ventures	Finaccel	Indonesia	Automated credit risk scoring and access to credit
	Halodoc	Indonesia	Healthcare software and service provider
	Kumu	Philippines	Social entertainment platform that aims to amplify Filipino creativity, community, and commerce
	Jiaw	Indonesia	Tech-enabled food and beverage
	Pluang	Indonesia	Financial technology application that specializes in digital micro-savings and micro-investment products

Financial Statements

Balance Sheet

(dollars in thousands) **As of September 30,**		**2021**		**(Reclassified) 2020**
Assets				
Intragovernmental:				
Fund Balance with Treasury (Note 2)	$	2,208,571	$	1,616,126
Investments (Note 3)		6,156,487		6,195,838
Total Intragovernmental		8,365,058		7,811,964
With the Public:				
Accounts Receivable, Net (Note 4)		107,932		98,357
Loans Receivable, Net (Note 5)		6,730,788		4,112,784
General Property and Equipment, Net (Note 6)		311		482
Securities and Investments (Note 3)		95,318		–
Advances and Prepayments (Note 7)		3,794		642
Total Assets	**$**	**15,303,201**	**$**	**12,024,229**
Liabilities				
Intragovernmental:				
Debt (Note 9)	$	7,723,761	$	4,677,759
Advances from Others and Deferred Revenue (Note 12)		5,053		–
Other Liabilities				
Liability to the General Fund of the US Government for Other Non-Entity Assets (Note 13)		1,071,893		999,425
Other Liabilities (Note 13)		1,025		1,466
Total Intragovernmental		8,801,732		5,678,650
With the Public:				
Accounts Payable		1		759
Federal Employee Benefits Payable (Note 10)		7,487		5,643
Loan Guaranty Liability (Note 5)		246,081		13,052
Insurance Program Liabilities (Note 11)		13,727		15,717
Advances from Others and Deferred Revenue (Note 12)		140,541		134,663
Other Liabilities (Note 13)		6,063		3,467
Total Liabilities	$	9,215,632	$	5,851,951
Net Position				
Unexpended Appropriations–Funds Other than those from Dedicated Collections		171,177		105,992
Cumulative Results of Operations–Funds Other than those from Dedicated Collections		5,916,392		6,066,286
Total Net Position		6,087,569		6,172,278
Total Liabilities and Net Position	**$**	**15,303,201**	**$**	**12,024,229**

The accompanying notes are an integral part of these statements

Statement of Net Cost

(in thousands) **For the Period Ended September 30,**	**2021**	**2020**
Insurance Program		
Gross Costs		
Operating Costs	$ 8,862	$ 15,131
Total Gross Costs	8,862	15,131
Less: Earned Revenue	(157,335)	(141,557)
Net Insurance Program Costs	(148,473)	(126,426)
Financing Program		
Gross Costs		
Operating Costs	264,347	134,753
Subsidy Costs/(Reduction)	(234,711)	(212,938)
Reestimates	166,838	119,516
Total Gross Costs	196,474	41,331
Less: Earned Revenue	(225,855)	(156,229)
Net Financing Program Costs	(29,381)	(114,898)
Equity Program		
Gross Costs	15,236	8,935
Operating Costs	15,236	8,935
Total Gross Costs	(1,642)	–
Net Equity Program Costs	13,594	8,935
Technical Assistance Program		
Gross Costs		
Operating Costs	2,594	–
Total Gross Costs	2,594	–
Net Technical Assistance Program Costs	2,594	–
Net Cost of Operations	**$ (161,666)**	**$ (232,389)**

The accompanying notes are an integral part of these statements.

Statement of Changes in Net Position

(in thousands)

For the Period Ended September 30,	2021	2020
Unexpended Appropriations		
Beginning Unexpended Appropriations	$ 105,992	$ –
Appropriations Received	594,494	286,391
Appropriations Transferred-In	30,000	122,382
Other Adjustments	–	(7,927)
Appropriations Used	(559,309)	(294,854)
Total Unexpended Appropriations	171,177	105,992
Cumulative Results of Operations		
Beginning Balance	6,066,286	–
Other Adjustments	(116)	–
Appropriations Used	559,309	294,854
Transfers In/Out Without Reimbursement	14	(2,585,265)
Imputed Financing	3,069	2,192
Offset to Non-entity Collections	(873,836)	(406,050)
Net Cost of Operations	161,666	232,389
Net Change	(149,894)	6,066,286
Cumulative Results of Operations	**5,916,392**	**6,066,286**
Net Position	**$ 6,087,569**	**$ 6,172,278**

The accompanying notes are an integral part of these statements.

Combined Statement of Budgetary Resources

(in thousands) **For the Period Ended September 30, 2021**	**Budgetary**	**Non-Budgetary Credit Reform Financing Accounts**
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net	$ 6,336,812	$ 443,540
Appropriations	594,494	-
Borrowing Authority	-	4,409,313
Spending Authority from Offsetting Collections	555,705	726,817
Total Budgetary Resources	**$ 7,487,011**	**$ 5,579,670**
Status of Budgetary Resources		
New obligations and upward adjustments (total)	$ 965,363	$ 4,262,794
Unobligated Balance, End of Year		
Apportioned, unexpired accounts	273,204	157,512
Unapportioned, unexpired accounts	6,214,921	1,159,364
Unexpired unobligated balance, end of year	6,488,125	1,316,876
Expired unobligated balance, end of year	33,523	-
Unobligated Balance, end of year (total)	6,521,648	1,316,876
Total Budgetary Resources	**$ 7,487,011**	**$ 5,579,670**
Outlays (Net) and Disbursements (Net)		
Outlays, net	$ 24,442)	
Distributed Offsetting Receipts	(783,325)	
Agency Outlays, Net	**$ (758,883)**	
Disbursements, Net		**$ 2,633,100**

The accompanying notes are an integral part of these statements.

Combined Statement of Budgetary Resources

(in thousands) **For the Period Ended September 30, 2020**	**Budgetary**	**Non-Budgetary Credit Reform Financing Accounts**
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net	$ 6,072,305	$ 553,597
Appropriations	286,391	-
Borrowing Authority	-	4,107,290
Spending Authority from Offsetting Collections	695,603	482,066
Total Budgetary Resources	**$ 7,054,299**	**$ 5,142,953**
Status of Budgetary Resources		
New obligations and upward adjustments (total)	$ 558,128	$ 4,524,224
Unobligated Balance, End of Year		
Apportioned, unexpired accounts	90,071	243,870
Unapportioned, unexpired accounts	6,362,427	374,859
Unexpired unobligated balance, end of year	6,452,498	618,729
Expired unobligated balance, end of year	43,673	-
Unobligated Balance, end of year (total)	6,496,171	618,729
Total Budgetary Resources	**$ 7,054,299**	**$ 5,142,953**
Outlays (Net) and Disbursements (Net)		
Outlays, net	$ (91,921)	
Distributed Offsetting Receipts	(357,761)	
Agency Outlays, Net	**$ (449,682)**	
Disbursements, Net		**$ 641,793**

The accompanying notes are an integral part of these statements.

Note 1: Summary of Significant Accounting Policies

A. Reporting Entity

The U.S. International Development Finance Corporation (DFC) is a United States (U.S.) Government corporation created under the Better Utilization of Investments Leading to Development (BUILD) Act. DFC facilitates U.S. private investment in developing countries and emerging market economies, primarily by providing direct loans, loan guaranties, equity investments, technical assistance, and political risk insurance. On October 5, 2018, the President of the United States signed the BUILD Act (Public Law 115-254) establishing DFC. The BUILD Act specified a transition period during which the assets, liabilities, and functions of the Overseas Private Investment Corporation (OPIC) and certain functions of the United States Agency for International Development (USAID) were to be transferred to DFC. The transition period occurred during FY 2020, which coincides with DFC's first year of operation.

B. Basis of Accounting and Presentation

The format of the financial statements and footnotes are presented in accordance with the form and content guidance provided in Office of Management and Budget (OMB) Circular No. A-136, *Financial Reporting Requirements* (A-136). DFC's financial statements are presented on the accrual and budgetary basis of accounting in accordance with U.S. Generally Accepted Accounting Principles (GAAP) promulgated by the Financial Accounting Standards Advisory Board (FASAB). Under the accrual basis, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash. Budgetary accounting recognizes the legal commitment or obligation of funds in advance of the proprietary accruals and facilitates compliance with legal constraints and controls over the use of Federal funds. The accompanying Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Position have been prepared on an accrual basis. The Statement of Budgetary Resources has been prepared in accordance with budgetary accounting rules.

The format of the Balance Sheet has changed to reflect more detail for certain line items, as required for all significant reporting entities by OMB Circular A-136. This change does not affect totals for assets, liabilities, or net position and is intended to allow readers of this Report to see how the amounts shown on the Balance Sheet are reflected on the Government-wide Balance Sheet, thereby supporting the preparation and audit of the Financial Report of the United States Government. The presentation of the FY 2020 Balance Sheet was modified to be consistent with the FY 2021 presentation.

Significant intra-agency transactions and balances have been eliminated from the principal statements for presentation on a consolidated basis, except for the Statement of Budgetary Resources, which is presented on a combined basis in accordance with A-136. As such, intra-agency transactions have not been eliminated from the Statement of Budgetary Resources.

DFC began activities in December 2019. As a result, the activities presented in these statements and notes for FY 2020 do not reflect a full twelve months of operations.

C. Fund Balance with Treasury

Fund Balance with Treasury (FBWT) is the aggregate amount of funds in DFC's accounts with the U.S. Department of Treasury (Treasury). Treasury processes cash receipts and disbursements on DFC's behalf to pay liabilities and finance authorized purchases. DFC's accounting records are reconciled with Treasury's records on a regular basis. DFC's FBWT includes all of its general, revolving, and deposit funds. The general fund is used for subsidy and reestimates, revolving funds are used for operating expenses and DFC's finance and insurance programs, and deposit funds are for taxes withheld on payments to contractors.

D. Investments

DFC has authority to make investments in Treasury securities and direct equity investments in specific projects and emerging market investment funds. Investments in Treasury securities are carried at face value, net of unamortized discount or premium, and are held to maturity. DFC also has the authority to make equity investments in non-Treasury projects and emerging market investment funds. Since fair value is not defined in federal accounting standards, DFC follows the accounting and reporting in Financial Accounting Standards Codification (ASC) 321 *Investments – Equity Securities*. Under ASC 321, equity investments are reported at fair value. When a readily determined fair value is not available, the equity investment can be reported at cost minus any impairment. DFC has the ability and intent to hold its investments until maturity or until the carrying cost can be otherwise recovered.

E. Property and Equipment, Net

DFC's property and equipment consists of general-purpose equipment used by the agency. Most of DFC property and equipment was transferred from OPIC, including equipment and internal use software. DFC capitalizes property and equipment at historical cost for acquisitions that have an estimated useful life of two years or more. DFC has a capitalization threshold of $50,000 for equipment, furniture, vehicles, and leasehold improvements, and $250,000 for internal use software. DFC expenses property and equipment acquisitions that do not meet the capitalization criteria when purchased, as well as normal repairs and maintenance. The cost of property and equipment acquired under a capital lease is the amount recognized as a liability for the capital lease at its inception. Depreciation and amortization of property and equipment are computed using the straight-line method over the estimated useful life of the asset or lease term, whichever is shorter, with periods ranging from 5 to 10 years.

F. Federal Employee Benefits

LEAVE

Employee annual leave is accrued as it is earned and reduced as leave is taken. Each year the balance of accrued annual leave is adjusted to reflect current pay rates as well as forfeited "use or lose" leave. Amounts are reported as unfunded to the extent current or prior year appropriations are not available to fund annual leave earned but not taken. Sick leave and other types of non-vested leave are expensed as taken.

EMPLOYEE HEALTH AND LIFE INSURANCE BENEFITS

DFC employees may choose to participate in the contributory Federal Employees Health Benefit and the Federal Employees Group Life Insurance programs. DFC matches a portion of the employee contributions to each program. Such matching contributions are recognized as current operating expenses.

EMPLOYEE PENSION BENEFITS

DFC employees participate in either the Civil Service Retirement System or the Federal Employees Retirement System (FERS) and Social Security. These systems provide benefits upon retirement and in the event of death, disability, or other termination of employment, and may also provide pre-retirement benefits. They may also include benefits to survivors and their dependents, and they may contain early retirement or other special features. DFC's contributions to both retirement plans, as well as to the government-wide Federal Insurance Contribution Act, administered by the Social Security Administration, are recognized as current operating expenses. Federal employee benefits also include the Thrift Savings Plan. For FERS employees, DFC matches employee contributions to the plan, subject to limitations. The matching contributions are recognized as current operating expenses.

IMPUTED FINANCING COSTS

DFC recognizes the full cost of providing all employee benefits and future retirement benefits, including life and health insurance, at the time employee services are rendered. Eligible retired DFC employees, and retired OPIC employees, can continue to participate in health and life insurance plans. The cost of these benefits is funded through DFC contributions, employee compensation to the extent withheld from employee and retiree pay, from matching of employee withholding for Thrift Savings Plan and Federal Insurance Contributions Act (FICA), and by the Office of Personnel Management (OPM) which administers the retirement programs for DFC employees. OPM calculates imputed costs as the actuarial present value of future benefits attributed to services rendered by covered employees and eligible retired DFC employees during the accounting period, net of the amounts contributed by employees, retirees, and DFC. DFC recognizes these imputed costs in the Statement of Net Cost and imputed financing in the Statement of Changes in Net Position.

FEDERAL EMPLOYEES' COMPENSATION ACT

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job and to beneficiaries of employees whose deaths are attributable to job-related injury or disease. The FECA program is administered by the Department of Labor (DOL). DOL pays valid claims as they occur, which are billed to DFC annually and funded and paid approximately 15 months later. DOL also calculates an estimated actuarial liability for future benefits based upon historical experience and other economic variables.

G. Insurance Program

In accordance with Statement of Federal Financial Accounting Standards (SFFAS) No. 51, *Insurance Programs*, the Insurance Program liability represents the liability for unearned premiums and fees, claims incurred but not reported, claims submitted but not yet paid, and estimated losses on remaining coverage. The losses on remaining coverage includes the estimated amounts to be paid to settle claims, including claim adjustment expenses for the remaining open arrangement period, net of unearned premiums as of the end of the fiscal year, and net of future premiums due after the end of the fiscal year that relate to the remaining open arrangement period.

H. Commitments and Contingencies

DFC is currently involved in certain legal claims and has received notifications of potential claims in the normal course of business. There are substantial factual and legal issues that might bar any recovery in these matters. It is not possible to evaluate the likelihood of any unfavorable outcome, nor is it possible to estimate the amount of compensation, if any, that may be determined to be owed in the context of a settlement. Management believes that the resolution of these claims will not have a material adverse impact on DFC.

I. Classified Activities

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

Note 2: Fund Balance with Treasury

(dollars in thousands)

As of September 30,		**2021**		**2020**
Status of Fund Balance with Treasury				
Unobligated Balance				
Available	$	560,084	$	913,202
Unavailable		33,523		43,673
Obligated Balance not yet Disbursed		1,614,964		659,251
Total FBWT	**$**	**2,208,571**	**$**	**1,616,126**

At September 30, 2020, there were no unreconciled differences between Treasury records and balances reported on DFC's general ledger. DFC'S FBWT is classified as unobligated balance available, unobligated balance unavailable, and obligated balance not yet disbursed. Unobligated available balances represent amounts that are apportioned for obligation in the current fiscal year and unexpired appropriations available for incurring new obligations. Unobligated unavailable balances represent amounts that are in expired appropriations and not available for incurring new obligations. Obligated balances not yet disbursed include undelivered orders or delivered orders received but not yet paid.

Note 3: Investments

(dollars in thousands) **As of September 30, 2021**	**Acquisition value**	**Amortized (Premium)/ Discount**	**Interest Receivable**	**Net Investments**	**Unrealized Gain/(Loss)**	**Market Value**
Treasury Non-Marketable, Market-based Securities						
Notes	$ 5,912,806	$ (132)	$ 26,883	$ 5,939,557	$ 163,955	$ 6,103,512
Bonds	215,617	(374)	1,687	216,930	31,464	248,394
Total Intragovernmental Securities and Investments	**$ 6,128,423**	**$ (506)**	**$ 28,570**	**$ 6,156,487**	**$ 195,419**	**$ 6,351,906**
Other Securities and Investments						
Available for Sale Equity Securities	$ 95,318	$ –	$ –	$ 95,318	$ –	$ 95,318
Total Other Securities and Investments	**$ 95,318**	**$ –**	**$ –**	**$ 95,318**	**$ –**	**$ 95,318**

(dollars in thousands) **As of September 30, 2020**	**Acquisition value**	**Amortized (Premium)/ Discount**	**Interest Receivable**	**Net Investments**	**Unrealized Gain/(Loss)**	**Market Value**
Treasury Non-Marketable, Market-based Securities						
Notes	$ 5,864,236	$ 1,149	$ 27,734	$ 5,893,119	$ 371,298	$ 6,264,417
Bonds	300,312	(114)	2,521	302,719	52,748	355,467
Total Intragovernmental Securities and Investments	**$ 6,164,548**	**$ 1,035**	**$ 30,255**	**$ 6,195,838**	**$ 424,046**	**$ 6,619,884**

Note 2: Fund Balance with Treasury

(dollars in thousands) **As of September 30, 2021**	**Purchase Price**	**Total**
Available for Sale Equity Securities	$ 95,318	$ 95,318
Total Non-Federal Securities	**$ 95,318**	**$ 95,318**

By statute, DFC is authorized to invest funds derived from fees and other revenues related to its insurance programs in Treasury non-marketable, market-based Securities and make equity investments in non-Treasury projects and emerging market investment funds. Treasury market-based securities are carried at face value, net of unamortized discount or premium, and are held to maturity. Premiums or discounts are amortized using the effective yield method. Interest income is compounded semi-annually by Treasury and adjusted to include an accrual for interest earned to September 30. DFC has the ability and intent to hold its investments until maturity or until the carrying cost can be otherwise recovered.

DFC's Other Securities and Investments include investments in limited partnerships, preferred stock, common stock, and equity shares in investment funds. DFC began making these investments in FY 2021. As of September 30, 2021, the investments have no impairment, and there are no readily determined fair values for the investments. DFC is reporting non-Federal investments listed above at purchase price in accordance with ASC 321.

DFC's non-Federal investment activity is as follows:

(dollars in thousands)		**2021**
Other Securities and Investments		
Balance as of October 1, 2020	$	–
Acquisitions of investments		95,318
Balance as of September 30, 2021	**$**	**95,318**

DFC also has hybrid investments that are structed as loans that may convert to equity investments. These hybrid investments are accounted for under the Federal Credit Reform Act (FCRA) while the loans are active, and are therefore not reported in the above schedules of investments.

Note 4: Accounts Receivable, Net

(dollars in thousands) **As of September 30,**		**2021**		**(Reclassified)** **2020**
Public Accounts Receivable				
Accounts Receivable	$	100,483	$	90,842
Insurance Settlement		20,804		20,757
Allowance for Uncollectible Amounts		(13,355)		(13,242)
Accounts Receivable, Net	**$**	**107,932**	**$**	**98,357**

Accounts receivable are amounts due to DFC from the public from fees and premiums from insurance policies, fees from loan and loan guaranty agreements, and assets acquired in insurance claims settlements. Accounts receivable are reduced to net realizable value by an allowance for uncollectible amounts. Allowances are based on management's periodic evaluations of the underlying assets. In its evaluation, management considers numerous factors, including, but not limited to, general economic conditions, asset composition, and prior loss experience.

Note 5: Loans Receivable, Net and Loan Guaranty Liabilities

A. Direct Loan and Loan Guaranty Programs

DFC has the following direct loan and loan guaranty programs:

NAME OF PROGRAM	DESCRIPTION
Direct Loan Program	Direct loans by DFC, and loans transferred from OPIC and USAID's Development Credit Authority (DCA) to DFC. Direct loans are disbursements to a borrower under a contract that requires repayment to DFC with interest. DFC's direct loans invest across sectors including energy, healthcare, critical infrastructure, and technology. DFC also provides financing for small businesses and women entrepreneurs in order to create jobs in emerging markets.
Loan Guaranties	Loan Guaranties by DFC, and agreements transferred from OPIC and DCA to DFC. Loan guaranties are agreements where DFC provides guaranties with respect to the payment of all or a part of the principal or interest on any debt obligation of a borrower to a lender. DFC's loan guaranties support investments across sectors including energy, healthcare, critical infrastructure, and technology. DFC also provides loan guaranties for small businesses and women entrepreneurs in order to create jobs in emerging markets.
Legacy Loans	DFC administers loans that were previously initiated by USAID under the Debt Reduction Loan program, initiated after FY 1991, and the Economic Assistance Loan program, which were initiated prior to FY 1992.
Legacy Loan Guaranties	DFC administers loan guaranties that were previously administered by USAID under the Microenterprise and Small Enterprise Development Guarantied Loan program; the Urban and Environmental Credit Guarantied Loan programs, and the Housing and Other Credit Guaranty programs. These programs include loans that were initiated before FY 1992 and after FY 1991.

The FCRA governs direct loans made after fiscal year 1991. FCRA loans are valued at the present value of expected future cash flows, discounted at the interest rate of Treasury Marketable Securities. The subsidy allowance represents the difference between the outstanding loans receivable balance and the net present value of the estimated cash flows of the loans over their remaining term. The subsidy allowance is subtracted from the outstanding loans receivable balance to obtain the net loans receivable balance. FCRA also governs loan guaranties made after fiscal year 1991. The liability is determined by calculating the net present value of expected future cash flows for outstanding guaranties in a manner similar to that used to determine the subsidy allowance for direct loans. Loan guaranty liability can be positive or negative, and if negative, is reported as an asset on the Balance Sheet. Guarantied loans acquired by DFC upon borrower default are established as loans receivable and are valued in a similar manner as direct loans under FCRA.

DFC also has direct loans related to capitalized fees that are not covered under FCRA in the amount of $1,533 thousand as of September 30, 2021.

BUDGETARY ACCOUNTING FOR LOAN PROGRAMS

DFC's loan disbursements are financed by appropriation authority for long-term loan subsidy cost and borrowings from Treasury for the remaining non-subsidized portion of the loans. Congress may authorize one-year, multi-year, or no year appropriation authority to cover the estimated long-term costs of the loan programs. The non-subsidized portion of each loan disbursement, financed initially under permanent indefinite authority to borrow funds from Treasury, is repaid from collections of loan fees, loan repayments, and default recoveries. Permanent indefinite authority is available to fund any reestimate increase of subsidy costs that occurs after the year in which a loan is disbursed. Reestimate reductions of subsidy costs are returned to Treasury and are unavailable to DFC. As required by the FCRA, DFC uses budgetary "program accounts" to account for appropriation authority in its credit programs and non-budgetary "financing accounts" to account for credit program cash flow. Estimates and reestimates of credit program subsidy expenses are recorded in DFC's program accounts.

NON-BUDGETARY CREDIT REFORM FINANCING ACCOUNTS

Actual cash flows for direct loan and loan guaranty programs are recorded in separate Credit Reform Financing Accounts within Treasury. These accounts borrow funds from Treasury; make direct loan disbursements; pay claims on guarantied loans; collect principal, interest, and fees from borrowers; earn interest from Treasury on any un-invested funds; pay interest expense on outstanding borrowings; and transfer negative subsidy to Treasury's general fund receipt account. New subsidy funded from DFC's non-credit spending authority and appropriated upward subsidy reestimate are received in program accounts and transferred to non-budgetary credit reform financing accounts. The budgetary resources and activities for these accounts are presented separately in the Statement of Budgetary Resources and the Budget of the United States and are excluded from the determination of the budget deficit or surplus.

SUBSIDY FUNDING UNDER FEDERAL CREDIT REFORM

FCRA requires that the credit subsidy costs of direct loans and loan guaranties be expensed in the year loans are disbursed. The cost expressed as a percentage of loans disbursed is termed the subsidy rate. DFC receives an annual appropriation from Congress and transfers from USAID to fund its credit program subsidy. DFC records subsidy expenses when loans are disbursed. Subsidy for loans disbursed in foreign currencies is calculated in U.S. dollars and DFC does not change the subsidy amount for foreign currency fluctuations during the year. In accordance with FCRA, subsidy costs are reestimated annually.

INTEREST RECEIVABLE

Interest receivable is comprised of accrued interest on loans receivable (direct loans and defaulted loan guaranties). Initial unpaid interest on defaulted loan guaranties that DFC acquires with the loan is treated as part of the principal of the loan receivable. Interest income is accrued at the contractual rate on the outstanding principal. Purchased interest is carried at cost.

VALUATION METHODOLOGY FOR DIRECT LOANS AND LOAN GUARANTIES

The value of direct loans and loan guaranties is based on the net present value of their expected future cash flows. DFC estimates future cash flows for direct loans and loan guaranties using economic and financial credit subsidy models. DFC's models vary in the specific methodologies employed to forecast future program cash flows. In general, however, models for all major credit programs use historical data as the basis for assumptions about future program performance and then translate these assumptions into nominal cash flow estimates by applying rules about program structure. Nominal cash flow forecasts are discounted using OMB's Credit Subsidy Calculator that has both forecasted and actual Treasury interest rates. Loans have been made in both U.S. dollars and foreign currencies. Loans extended in foreign currencies that were originated by USAID and transferred into DFC were made with or without "Maintenance of Value" (MOV). Foreign currency exchange gain or loss is recognized upon receipt of loan repayments on loans extended without MOV, and reflected in the net credit programs receivable balance. The net loans receivable or the value of assets related to direct loans is not the same as expected proceeds from selling the loans.

Historical data is used as the basis for program performance assumptions. The historical data undergoes quality review and analysis prior to its use in developing model assumptions. Key input to the subsidy models varies by program and includes items such as:

- Contractual terms of the loan or guaranty such as loan amount, interest rate, maturity and grace period
- Borrower characteristics
- Estimated changes in foreign currency valuations
- Loan performance assumptions, such as default and recovery rates
- Loan fee rates

DFC's rating methodology for its Federal Credit Reform reestimates is based on industry best practices and the expert judgment of a core panel of officers from origination, monitoring, credit policy and risk management who worked in conjunction with Moody's Analytics. The methodology rates the portfolio risk with a consistent and standardized approach.

B. Direct Loans, Net

(dollars in thousands) **As of September 30, 2021**	**Loans Receivable, Gross**	**Fees & Interest Receivable**	**Allowance for Loan Loss (or Present Value Allowance)**	**Allowance for Subsidy Cost (Present Value)**	**Value of Assets Related to Direct Loans, Net**
Loans Obligated Prior to FY 1992					
Legacy Loans	$ 394,226	$ 403,303	$ (535,868)	$ -	$ 261,661
Loans Obligated After FY 1991					
Direct Loans	6,197,890	85,511	-	(83,567)	6,197,834
Legacy Loans	655,960	38,540		(865,467)	(171,033)
Total Loans Receivable	**$ 7,248,010**	**$ 525,354**	**$ (535,868)**	**$ (949,034)**	**$ 6,288,462**

(dollars in thousands) **As of September 30, 2020**	**Loans Receivable, Gross**	**Fees & Interest Receivable**	**Allowance for Loan Loss (or Present Value Allowance)**	**Allowance for Subsidy Cost (Present Value)**	**Value of Assets Related to Direct Loans, Net**
Loans Obligated Prior to FY 1992					
Legacy Loans	$ 593,361	$ 389,345	$ (535,868)	$ -	$ 446,838
Loans Obligated After FY 1991					
Direct Loans	3,659,289	97,775	-	(238,276)	3,518,788
Legacy Loans	655,960	21,206		(838,249)	(161,083)
Total Loans Receivable	**$ 4,908,610**	**$ 508,326**	**$ (535,868)**	**$ (1,076,525)**	**$ 3,804,543**

C. Total Amount of Direct Loans Disbursed

(dollars in thousands) **As of September 30,**	**2021**	**2020**
Direct Loan Disbursements	$ 3,140,075	$ 919,700

D. Subsidy Expense and Reestimates for Direct Loan Programs by Component

(dollars in thousands) **As of September 30,**	**2021**	**(Reclassified)** **2020**
Subsidy Expense for New Direct Loans Disbursed		
Interest Differential	$ (4,744)	$ (1,883)
Defaults	96,633	85,974
Fees and Other Collections	(212,563)	(193,080)
Other	(36,484)	$ 18,456
Total Subsidy Expense for New Direct Loans Disbursed	(157,158)	(90,533)
Modifications and Reestimates		
Total modifications	(967)	-
Interest Rate Reestimates	(45,493)	14,751
Technical Reestimates	79,423	59,234
Total Reestimates	33,930	73,985
Total Direct Loan Subsidy Expense	**$ (124,195)**	**$ (16,548)**

E. Schedule for Reconciling Direct Loan Subsidy Cost Allowance

(dollars in thousands) **As of September 30,**	**2021**	**2020**
Beginning balance of the subsidy cost allowance	$ (1,076,525)	$ -
Subsidy cost allowance transferred-in		(962,425)
Add: subsidy expense for direct loans disbursed during the year	157,158	90,533
Adjustments:		
Loan modifications	967	-
Fees accrued	(2,829)	(508)
Loans written off	109,099	3,196
Subsidy allowance amortization	(102,964)	(134,329)
Other	(10)	993
Total adjustments	3,296	(130,648)
Ending balance of the subsidy cost allowance before reestimates	(915,104)	(1,002,540)
Add or subtract subsidy reestimates	(33,930)	(73,985)
Ending balance of the subsidy cost allowance	**$ (949,034)**	**$ (1,076,525)**

F. Defaulted Loan Guaranties

(dollars in thousands) **As of September 30, 2021**	**Defaulted Loan Guaranties Receivable, Gross**	**Interest Receivable**	**Allowance for Loan Loss (or Present Value Allowance)**	**Allowance for Subsidy Cost (Present Value)**	**Value of Assets Related to Defaulted Loan Guaranties Receivable, Net**
Loans Obligated Prior to FY 1992					
Legacy Loan Guaranties	$ 82,624	$ 13,865	$ (40,581)	$ -	$ 55,908
Loans Obligated After FY 1991					
Loan Guaranties	578,162	26,510	-	(353,473)	251,199
Legacy Loan Guaranties	78,447	56,772	-	-	135,219
Total	**$ 739,233**	**$ 97,147**	**$ (40,581)**	**$ (353,473)**	**$ 442,326**

(dollars in thousands) **As of September 30, 2020**	**Defaulted Loan Guaranties Receivable, Gross**	**Interest Receivable**	**Allowance for Loan Loss (or Present Value Allowance)**	**Allowance for Subsidy Cost (Present Value)**	**Value of Assets Related to Defaulted Loan Guaranties Receivable, Net**
Loans Obligated Prior to FY 1992					
Legacy Loan Guaranties	$ 85,046	$ 11,671	$ (40,609)	$ -	$ 56,108
Loans Obligated After FY 1991					
Loan Guaranties	366,371	18,103	-	(263,354)	121,120
Legacy Loan Guaranties	77,174	53,839	-	-	131,013
Total	**$ 528,591**	**$ 83,613**	**$ (40,609)**	**$ (263,354)**	**$ 308,241**

G. Guarantied Loans Outstanding

GUARANTIED LOANS OUTSTANDING

(dollars in thousands) **As of September 30, 2021**	**Outstanding Principal of Guarantied Loans, Face Value**	**Amount of Outstanding Principal Guarantied**
Loan Guaranties	$ 10,397,305	$ 10,064,675
Legacy Loan Guaranties	134,600	134,600
Total	**$ 10,531,905**	$ **10,199,275**

(dollars in thousands) **As of September 30, 2020**	**Outstanding Principal of Guarantied Loans, Face Value**	**Amount of Outstanding Principal Guarantied**
Loan Guaranties	$ 10,629,819	$ 10,322,937
Legacy Loan Guaranties	186,560	186,560
Total	**$ 10,816,379**	**$ 10,509,497**

NEW LOAN GUARANTIES DISBURSED

(dollars in thousands) **As of September 30, 2021**	**Principal of Guarantied Loans, Face Value**	**Amount of Principal Guarantied**
Loan Guaranties	$ 1,353,910	$ 1,082,922
Legacy Loan Guaranties	-	-
Total	**$ 1,353,910**	**$ 1,082,922**

(dollars in thousands) **As of September 30, 2020**	**Principal of Guarantied Loans, Face Value**	**Amount of Principal Guarantied**
Loan Guaranties	$ 1,331,896	$ 1,246,620
Legacy Loan Guaranties	-	**-**
Total	**$ 1,331,896**	**$ 1,246,620**

H. Liability for Loan Guaranties

(dollars in thousands) **As of September 30, 2021**	**Liabilities for Losses on Pre-1992 Guaranties, Present Value**	**Liabilities for Post-1991 Guaranties, Present Value**	**Loan Guaranties Liabilities for Loan Guaranties**
Loans Obligated Prior to FY 1992			
Legacy Loan Guaranties	$ (4,681)	$ -	$ (4,681)
Loans Obligated After FY 1991			
Loan Guaranties	-	84,028	84,028
Legacy Loan Guaranties	-	166,734	166,734
Total Liability for Loan Guaranties	**$ (4,681)**	**$ 250,762**	**$ 246,081**

(dollars in thousands) **As of September 30, 2020**	**Liabilities for Losses on Pre-1992 Guaranties, Present Value**	**Liabilities for Post-1991 Guaranties, Present Value**	**Loan Guaranties Liabilities for Loan Guaranties**
Loans Obligated Prior to FY 1992			
Legacy Loan Guaranties	$ (1,924)	$ -	$ (1,924)
Loans Obligated After FY 1991			
Loan Guaranties	-	(149,006)	(149,006)
Legacy Loan Guaranties	-	163,982	163,982
Total Liability for Loan Guaranties	**$ (1,924)**	**$ 14,976**	**$ 13,052**

I. Subsidy Expense for Loan Guaranties by Program and Component

(dollars in thousands) **As of September 30, 2021**	**Loan Guaranties**	**Legacy Loan Guaranties**	**Total**
Subsidy Expense for New Loan Guaranties Disbursed			
Defaults	$ 68,833	$ -	$ 68,833
Fees and Other Collections	(193,895)	-	(193,895)
Other	47,577	-	47,577
Total Subsidy Expense for New Loan Guaranties Disbursed	(77,485)	-	(77,485)
Modifications and Reestimates			
Total modifications	899	-	899
Interest Rate Reestimates	19,836	34,012	53,848
Technical Reestimates	115,256	(36,196)	79,060
Total Reestimates	135,092	(2,184)	132,908
Total Loan Guaranty Subsidy Expense	**$ 58,506**	**$ (2,184)**	**$ 56,322**

(dollars in thousands) **As of September 30, 2020**	**Loan Guaranties**	**Legacy Loan Guaranties**	**Total**
Subsidy Expense for New Loan Guaranties Disbursed			
Defaults	$ 110,386	$ -	$ 110,386
Fees and Other Collections	(288,339)	-	(288,339)
Other	55,548	-	55,548
Total Subsidy Expense for New Loan Guaranties Disbursed	(122,405)	-	(122,405)
Reestimates			
Interest Rate Reestimates	(9,627)	(3,317)	(12,944)
Technical Reestimates	59,234	(759)	58,475
Total Reestimates	49,607	(4,076)	45,531
Total Loan Guaranty Subsidy Expense	**$ (72,798)**	**$ (4,076)**	**$ (76,874)**

J. Schedule for Reconciling the Loan Guaranty Liability

(dollars in thousands) **As of September 30,**	**2021**	**2020**
Beginning balance of the loan guaranty liabilities	$ 14,976	$ -
Loan guaranty liability transferred-in		(51,531)
Less claims paid to lenders	(265,904)	(180,524)
Add fees accrued	281,183	192,058
Add loans acquired	159,121	107,966
Add subsidy expense for guarantied loans disbursed during the year	25,900	15,143
Less negative subsidy payments	(103,385)	(137,548)
Add upward reestimate	371,740	293,863
Less downward reestimate	(238,832)	(248,332)
Subsidy allowance amortized	5,064	23,553
Loan guaranty modifications	899	-
Other	-	328
Ending balance of the loan guaranty liability	**$ 250,762**	**$ 14,976**

K. Subsidy Rates by Program and Component

As of September 30, 2020	Defaults, net of recoveries	Interest	Fees	Other	Total
Direct Loans					
Direct Loans	9.64%	-	-14.79%	-	-5.15%
Direct Loan Investment Funds	4.68%	-4.37%	-9.04%	-	-8.73%
Loan Guaranties					
USAID Mission-led Guaranties	5.07%	-	-2.02%	-	3.05%
Loan Guaranties	9.21%	-	-21.69%	-	-12.48%
Limited Arbitral Award Coverage	4.38%	-	-8.07%	-	-3.69%

The subsidy rates presented above are consistent with the estimated subsidy rates published in the Federal Credit Supplement to the Budget of the U.S. Government except for differences due to rounding. The published budget formulation subsidy rates are notional, for illustrative purposes only, as DFC estimates subsidy on a loan-by-loan basis at the time of obligation. These rates cannot be applied to the direct loans and loan guaranties disbursed during the current reporting year to yield the subsidy expense. The subsidy expense for new loans reported in the current year could result from the disbursements of loans obligated in the current and prior fiscal years. Subsidy expense reported in the current year also includes the cost of subsidy reestimates.

L. Administrative Expenses

DFC incurs administrative expenses to carry out its credit reform programs. This amount is determined by annual appropriation legislation. The administrative expense for direct loan and loan guaranties is $93,462 and $64,119 thousand for the period ended September 30, 2021 and 2020, respectively.

Note 6: Property And Equipment, Net

(dollars in thousands) As of September 30, 2021	Acquisition Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 3,925	$ (3,614)	$ 311
Internal-Use Software	9,584	(9,584)	-
Total Property and Equipment, Net	**$ 13,509**	**$ (13,198)**	$ 311

(dollars in thousands) As of September 30, 2020	Acquisition Cost	Accumulated Depreciation	Net Book Value
Equipment	$ 3,925	$ (3,443)	$ 482
Internal-Use Software	9,584	(9,584)	-
Total Property and Equipment, Net	**$ 13,509**	**$ (13,027)**	**$ 482**

(dollars in thousands)	Acquisition Cost	Accumulated Depreciation	Net Book Value
Balance as of October 1, 2019	$ -	$ -	$ -
Transfers In	13,509	(12,882)	627
Depreciation Expense	-	(145)	(145)
Balance as of September 30, 2020	**$ 13,509**	**$ (13,027)**	**$ 482**
Depreciation Expense		(171)	(171)
Balance as of September 30, 2021	**$ 13,509**	**$ (13,198)**	**$ 311**

Note 7: Advances and Prepayments

(dollars in thousands) **As of September 30,**	**2021**	**2020**
Advances	$ 3,794	$ 642
Total Advances and Prepayments	**$ 3,794**	**$ 642**

DFC's advances are related to the Legacy Loan Guaranty programs. The amounts represent advances for claims that DFC pays to a bank that processes the loan guaranties. DFC processes an advance when a claim payment request is received from the bank, and recognizes the decrease to the loan guaranty liability when the claim reconciliation information is received from the bank.

Note 8: Liabilities Covered and Not Covered by Budgetary Resources

(dollars in thousands) **As of September 30,**	**2021**	**(Reclassified)** **2020**
Intragovernmental		
Unfunded FECA Liability	$ 386	$ 301
Total Intragovernmental	386	301
With the Public		
Federal Employee Benefits Payable	6,134	5,643
Insurance and Guaranty Program Liabilities	132	-
Total With the Public	6,266	5,643
Total Liabilities Not Covered by Budgetary Resources	6,652	5,944
Total Liabilities Covered by Budgetary Resources	9,049,701	5,833,398
Total Liabilities Not Requiring Budgetary Resources	159,279	12,609
Total Liabilities	**$ 9,215,632**	**$ 5,851,951**

Liabilities of Federal agencies are classified as liabilities covered, liabilities not covered by budgetary resources, and liabilities not requiring budgetary resources.

Liabilities covered by budgetary resources consist of liabilities incurred which are covered by realized budgetary resources as of the Balance Sheet date. Budgetary resources encompass not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Liabilities are considered covered by budgetary resources if they are to be funded by permanent indefinite appropriations, which have been enacted and signed into law and are available for use as of the Balance Sheet date, provided that the resources may be apportioned by OMB without further action by the Congress and without a contingency having to be met first.

Liabilities not covered by budgetary resources require future congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. Regardless of when the congressional action occurs, when the liabilities are liquidated, Treasury will finance the liquidation in the same way that it finances all other disbursements, which is to borrow from the public if the Government has a budget deficit, and to use current receipts if the Government has a budget surplus. DFC's liabilities not covered by budgetary resources primarily consist of accrued unfunded annual leave.

Liabilities not requiring budgetary resources consist mostly of unearned revenues that will be earned by providing services by the passage of time.

Note 9: Debt

DFC's debt comes from direct borrowings from the U.S. Treasury to fund the portion of direct loans not covered by subsidy appropriations, disbursements of downward subsidy reestimates, and pay claims in excess of the amount of subsidy and collections maintained in the non-budgetary financing funds. During FY 2020 borrowings from Treasury were transferred in from OPIC and USAID to DFC.

(dollars in thousands) **As of September 30,**		**2021**		**2020**
Debt to the Treasury				
Beginning Balance	$	4,677,759	$	-
Borrowings Transferred In		-		5,341,670
Net Borrowings		3,046,002		(663,911)
Ending Balance	**$**	**7,723,761**	**$**	**4,677,759**

Note 10: Federal Employee Benefits Payable

(dollars in thousands) **As of September 30,**		**2021**		**2020**
Accrued Unfunded Annual Leave	$	5,705	$	5,215
Employer Contributions and Payroll Taxes Payable		1,354		-
Actuarial FECA Liability		428		428
Total Federal Employee Benefits Payable:	**$**	**7,487**	**$**	**5,643**

DFC employees accrue annual leave, which DFC records as a liability to funded in future years. FECA provides coverage to federal civilian employees who have sustained work-related injuries or disease by providing appropriate monetary and medical benefits and help in returning to work. The program is funded DOL, and DFC is charged by DOL for FECA payments made on DFC's behalf. The FECA liability above is the actuarial estimated amount to be provided in the future.

Note 11: Insurance Program Liabilities

DFC provides Political Risk Insurance for overseas investments against five different risks: (1) inconvertibility of currency; (2) expropriation; (3) bid, performance, advance payment, and other guaranty coverages; (4) political violence; and (5) breach of contract for capital markets. On a case-by-case basis, DFC may rewrite and renew insurance coverage beyond the initial term of the original insurance contract issued. The initial term is typically 3 to 20 years. Policies are renewable yearly at the option of the insured. Insurance premiums received are amortized over the coverage period.

1) Insurance coverage against inconvertibility protects the investor from increased restrictions on the investor's ability to convert local currency into U.S. dollars. Inconvertibility insurance does not protect against devaluation of a country's currency.

2) Expropriation coverage provides compensation for losses due to confiscation, nationalization, or other governmental actions that deprive investors of their fundamental rights in the investment.

3) Guaranties issued on behalf of a U.S. exporter of goods or services, or a U.S. contractor in favor of a foreign government buyer can be covered against the risk of a wrongful calling. The guaranties usually are in the form of irrevocable, on-demand, standby letters of credit. A wrongful calling is one that is not justified by the terms of the underlying contract, or the invitation for bids.

4) Insurance against political violence insures investors against losses caused by politically motivated acts of violence (war, revolution, insurrection, or civil strife, including terrorism and sabotage).

5) Reinsurance can increase underwriting capacity and support development in countries where investors have difficulty obtaining political risk insurance, DFC can reinsure licensed U.S. and international insurance companies.

6) DFC political risk insurance supports U.S. capital market financing structures that catalyze private capital in emerging markets.

In general, pricing is determined based on the individual coverage issues and the unique risk profile of the investment project.

Under most DFC insurance contracts, investors may obtain all coverages, but claim payments may not exceed the single highest coverage amount. Claim payments are limited by the value of the investment and the amount of current coverage in force at the time of the loss and may be reduced by the insured's recoveries from other sources. In certain instances, DFC's requirement to pay up to the single highest coverage amount may be reduced by stop-loss and risk-sharing agreements. Finally, losses on insurance claims may be reduced by recoveries by DFC as subrogee of the insured's claim against the host government. Payments made under insurance contracts that result in recoverable assets are included in Accounts Receivable net of an allowance for uncollectible amounts.

DFC's Insurance Program liabilities consists of the following:

(dollars in thousands) **As of September 30,**	**2021**	**(Reclassified) 2020**
Unearned Insurance Premiums	$ 13,594	$ 15,717
Unpaid Insurance Claims	133	-
Total Insurance Program Liabilities:	**$ 13,727**	**$ 15,717**

In FY 2021, DFC has unpaid insurance claims that are recorded as unfunded liabilities. DFC did not have any claims incurred or paid, or claims recoveries received during FY 2020. DFC's liability for unpaid insurance claims and activity for FY 2021 is as follows:

(dollars in thousands)	**2021**
Unpaid Insurance Claims as of October 1, 2020	$ -
Claims Expense	259
Less: Claims Paid	(126)
Unpaid Insurance Claims as of September 30, 2021	**$ 133**

The liability for losses on remaining coverage represents the estimated amounts to be paid to settle claims, including claim adjustment expenses, for the remaining open arrangement period in excess of the sum of both:

a) related unearned premiums as of the end of the reporting period, and

b) premiums due after the end of the reporting period that relate to the remaining open arrangement period.

The open arrangement period is the elected coverage period under the insurance policy, since it is the period the insurance is in-force and unexpired. DFC has no liability for losses on remaining coverage as of September 30, 2021.

In addition to requiring formal applications for claimed compensation, DFC's contracts generally require investors to notify DFC promptly of host government action that the investor has reason to believe is or may become a claim. Compliance with this notice provision sometimes results in the filing of notices of events that do not mature into claims.

DFC's current exposure for all policies in force, or Current Exposure to Claims at September 30, 2021 was $2.6 billion. DFC's broader measure of exposure is limited to Maximum Contingent Liability of $5.7 billion at September 30, 2021. This amount is DFC's estimate of maximum exposure to insurance claims, which includes standby coverage for which DFC is committed but not currently at risk.

Note 12: Advances from Others and Deferred Revenue

(dollars in thousands) **As of September 30,**	**2021**	**(Reclassified)** **2020**
Finance Retainer Fees and Deferred Facility Fees	$ 127,750	$ 122,054
Rent Incentives	12,791	12,609
Total Advances from Others and Deferred Revenue	**$ 140,541**	**$ 134,663**

DFC's advances from others and deferred revenue is the result of their ability to charge a retainer and other working capital fees in conjunction with each project. Working capital fees are maintained in funds for DFC's use in future years. Facility fees collected in excess of $50,000 are amortized over the life of the project.

Note 13: Other Liabilities

(dollars in thousands) **As of September 30,**	**2021**	**(Reclassified)** **2020**
Intragovernmental		
Liability to the General Fund of the U.S. Government for Custodial and Other Non-Entity Assets	$ 1,071,893	$ 999,425
Other Liabilities		
Employer Contributions & Payroll Taxes Payable	639	1,165
Unfunded FECA Liability	386	301
Total Intragovernmental	1,072,918	1,000,891
With the Public		
Accrued Funded Payroll and Benefits	5,972	3,376
Liability for Deposit Funds	91	91
Total With the Public	6,063	3,467
Total Other Liabilities	**$ 1,078,981**	**$ 1,004,358**

DFC's liability to the General Fund of the U.S. Government for Custodial and Other Non-Entity Assets consists of amounts due to Treasury for downward reestimates and capital transfers due to Treasury. Federal credit programs are required to transfer to Treasury excess funding. Loans and loan guaranties made after FY 1991 that are covered under FCRA are reestimated each year. The loans and loan guaranties where the reestimate indicates that the amount of subsidy needed will be less than the prior year, or where the present value of the cash flows is positive, is a downward reestimate, requiring funds to be transferred to Treasury. DFC cannot transfer these funds until they receive authority from OMB, which will occur in the succeeding fiscal year. Loan and loan guaranties made prior to FY 1992 are not covered under the Federal Credit Reform Act, however, excess funding is required to be transferred to Treasury in the form of a capital transfer.

Note 14: Leases

Operating Leases

DFC leases commercial facilities under a multi-year operating lease agreement, as amended, which expires in April 2029. Under the terms of the lease, DFC receives a tenant improvement allowance for space refurbishment as well as other incentives. The value of these incentives is deferred in the Balance Sheet and are amortized to recognize rent expense on a straight-line basis over the life of the lease. Rental expense was approximately $8.6 million and $6.9 million for fiscal years 2021 and 2020, respectively. The following table presents future non-cancelable rental payments.

(dollars in thousands) **For the Years Ending:**	**Non-Federal Lease Payments**
2022	$ 9,638
2023	9,660
2024	9,901
2025	10,148
2026	10,401
After 2026	28,082
Total Future Lease Payments	**$ 77,830**

Note 15: Budgetary Resources

A. Permanent Indefinite Appropriations

The Federal Credit Reform Act of 1990 authorizes permanent, indefinite appropriations from Treasury, as appropriate, to carry out all obligations resulting from the financing program. Permanent indefinite authority is available to fund any reestimated increase of subsidy costs that occurs after the year in which a loan is disbursed. Reestimated reductions of subsidy costs are returned to Treasury and are unavailable to DFC.

The BUILD Act established a fund which shall be available for discharge of liabilities under insurance or reinsurance or under similar predecessor authority. All valid claims arising from insurance issued by DFC constitute obligations on which the full faith and credit of the United States of America is pledged for full payment. DFC is authorized by statute to borrow from Treasury should funds in DFC's reserves be insufficient to discharge obligations arising under its insurance program.

B. Annual Appropriations

DFC receives an annual appropriation for operations and programs. Under current law (Public Law **116-94**, 133 Stat. 2840), DFC's offsetting collections derived from investment earnings, non-insurance fees, and negative subsidy are to be used to reduce DFC's annual appropriation from the General Fund to zero.

C. Borrowing Authority

DFC is required to borrow from Treasury's Bureau of the Fiscal Service to fund the unsubsidized portion of direct loan disbursements. DFC is authorized to borrow funds to disburse negative subsidy or pay claims in excess of the amount of subsidy and collections maintained in the financing funds. As of September 30, 2021 and 2020, DFC had $8,084 million and $5,534 million, respectively, in borrowing authority carried over to fund direct loans and pay future claims.

D. Undelivered Orders at the End of the Period

Undelivered Orders include loan and related subsidy obligations that have been issued but not disbursed and obligations for goods and services ordered that have not been received.

(dollars in thousands)

As of September 30, 2021	**Federal**	**Non-Federal**	**Total**
Unpaid	$ 898,540	$ 4,693,153	$ 5,591,693
Paid	-	3,794	3,794
Total Obligations	**$ 898,540**	**$ 4,696,947**	**$ 5,595,487**

(dollars in thousands)

As of September 30, 2020	**Federal**	**Non-Federal**	**Total**
Unpaid	$ 1,042,158	$ 4,694,430	$ 5,736,588
Paid	-	642	642
Total Obligations	**$ 1,042,158**	**$ 4,695,072**	**$ 5,737,230**

E. Explanation of Differences Between the SBR and the Budget of the U.S. Government

(dollars in millions) **For the Period Ended September 30, 2020**	**Budgetary Resources**	**New Obligations and Upward Adjustments**	**Distributed Offsetting Receipts**	**Net Outlays**
Combined Statement of Budgetary Resources	$ 12,197	$ 5,082	$ (358)	$ 550
Expired Funds not reported in 2022 President's Budget	(50)	-	-	-
Variances as a result of OPIC Transfer to DFC	-	-	(57)	(8)
Rounding	(5)	(2)	-	1
Budget of the U.S. Government	**$ 12,142**	**$ 5,080**	**$ (415)**	**$ 543**

Agencies are required to explain material differences between their Statement of Budgetary Resources (SBR) and the Budget of the U.S. Government. This disclosure reconciles the prior year's Statement of Budgetary Resources to the actual balances per the upcoming year's budget. For example, DFC's FY 2021 SBR will be reconciled to the actual balances per the 2023 Budget of the U.S. Government which will be released in FY 2022. The Budget with the actual amounts for this current year will be available at a later date at **https://www.whitehouse.gov/omb/budget/.**

Balances reported in the FY 2020 Statement of Budgetary Resources and the related President's Budget are shown in the table above for Budgetary Resources, Obligations, Distributed Offsetting Receipts, Net Outlays, and any related differences. The differences reported are due to differing reporting requirements for expired and unexpired appropriations between the Treasury guidance used to prepare the SBR and the OMB guidance used to prepare the President's Budget. The SBR includes both unexpired and expired appropriations, while the President's Budget discloses only unexpired budgetary resources that are available for new obligations. Additionally, differences exist as a result of the mid-fiscal year creation of DFC during FY 2020 during which some funds remained in OPIC fund symbols, while others were transferred to DFC. Other minor differences are the result of rounding variances.

Note 16: Reconciliation of Net Cost of Operations to Net Outlays

Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future, but also to assure integrity between budgetary and financial accounting. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays. In accordance with OMB Circular A-136 guidance, the presentation of the Reconciliation of Net Costs of Operations to Net Outlays excludes financing funds activity for programs subject to FCRA. Line items presented below, such as the Net Cost as well as the increases and decreases in assets and liabilities do not include financing funds and cannot be compared to the consolidated Statement of Net Cost and the consolidated Balance Sheet. Loans Receivable and Loan Guaranty Liability activity is reported below for the liquidating funds for loans and loan guaranties made prior to FY 1992.

(dollars in thousands)

For the Period Ended September 30, 2021	Intra Governmental	With the Public	Total
Net Cost	**$ 98,689**	**$ 26,364**	**$ 125,053**
Components of Net Cost That Are Not Part of Net Outlays:			
Property and Equipment Depreciation	-	(171)	(171)
Year-end Credit Reform subsidy Re-estimates	(168,649)	-	(168,649)
Increase/(decrease) in assets:			
Accounts Receivable	-	(13,990)	(13,990)
Loans Receivable	-	(178,197)	(178,197)
Investments	773	95,318	96,091
Advances	-	1,239	1,239
(Increase)/decrease in liabilities:			
Accounts Payable	-	758	758
Federal Employee Benefits Payable	-	(491)	(491)
Loan Guaranty Liability	-	2,757	2,757
Insurance Program Liabilities	-	1,991	1,991
Advances from Others and Deferred Revenue	-	(10,817)	(10,817)
Subsidy Payable to the Financing Account	462,178	-	462,178
Other Liabilities	(912)	(2,596)	(3,508)
Other Financing Sources:			
Imputed Costs	(3,069)	-	(3,069)
Total Components of Net Cost That Are Not Part of Net Outlays	**290,321**	**(104,199)**	**186,122**
Components of Net Outlays That Are Not Part of Net Cost:			
Transfers out (in) without reimbursement	(286,733)	-	(286,733)
Distributed Offsetting Receipts	(783,325)	-	(783,325)
Total Components of Net Outlays That Are Not Part of Net Cost	**(1,070,058)**	**-**	**(1,070,058)**
Net Outlays (calculated)	**(681,048)**	**(77,835)**	**(758,883)**
Related Amounts on the Statement of Budgetary Resources			
Outlays, Net			24,442
Distributed Offsetting Receipts			(783,325)
Total Agency Outlays, Net			**$ (758,883)**

(dollars in thousands) **For the Period Ended September 30, 2020**	**(Reclassified) Intra Governmental**	**(Reclassified) With the Public**	**(Reclassified) Total**
Net Cost	**$ 47,009**	**$ (25,288)**	**$ 21,721**
Components of Net Cost That Are Not Part of Net Outlays:			
Property and Equipment Depreciation	-	(145)	(145)
Year-end Credit Reform subsidy Re-estimates	(118,200)	-	(118,200)
Increase/(decrease) in assets:			
Accounts Receivable	-	10,055	10,055
Loans Receivable	-	(53,288)	(53,288)
Investments	68,067	-	68,067
(Increase)/decrease in liabilities:			-
Accounts Payable	-	(759)	(759)
Federal Employee Benefits Payable	(428)	(5,214)	(5,642)
Loan Guaranty Liability	-	1,924	1,924
Insurance Program Liabilities	-	(15,717)	(15,717)
Advances from Others and Deferred Revenue	-	(133,434)	(133,434)
Subsidy Payable to the Financing Account	284,391	-	284,391
Liability to the General Fund of the US Government for Other Non-Entity Assets	(656,763)	-	(656,763)
Other Liabilities	(1,466)	(3,467)	(4,933)
Other Financing Sources:			-
Imputed Costs	(2,192)	-	(2,192)
Total Components of Net Cost That Are Not Part of Net Outlays	**(426,591)**	**(200,045)**	**(626,636)**
Components of Net Outlays That Are Not Part of Net Cost:			
Transfers out (in) without reimbursement	512,994	-	512,994
Distributed Offsetting Receipts	(357,761)	-	(357,761)
Total Components of Net Outlays That Are Not Part of Net Cost	**155,233**	**-**	**155,233**
Net Outlays (calculated)	**(224,349)**	**(225,333)**	**(449,682)**
Related Amounts on the Statement of Budgetary Resources			
Outlays, Net			(91,921)
Distributed Offsetting Receipts			(357,761)
Total Agency Outlays, Net			**$ (449,682)**

Note 17: Reclassification of Balance Sheet, Statement of Net Costs, and Statement of Changes in Net Position for Financial Reporting Contemplating Process

To prepare the Financial Report of the U.S. Government (FR), the Department of the Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. General Ledger account that appear in the financial statements. Treasury uses the trial balance information reported in the Governmentwide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Balance Sheet, Reclassified Statement of Net Cost, and a Reclassified Statement of Changes in Net Position for each agency, which are accessed using GTAS. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the FR statements. This note shows DFC's financial statements and DFC's reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated FR line items. The GTAS balances on the Reclassified Balance Sheet and Statement of Changes in Net Position require additional manual adjustments in order to accurately reflect DFC's activity. A copy of the 2020 FR can be found here: **https://www.fiscal.treasury.gov/reports-statements/** and a copy of the 2021 FR will be posted to this site as soon as it is released.

The term "intragovernmental" is used in this note to refer to amounts that result from other components of the Federal Government.

The term "non-Federal" is used in this note to refer to Federal Government amounts that result from transactions with non-Federal entities. These include transactions with individuals, businesses, non-profit entities, and State, local, and foreign governments.

FY 2021 DFC Statement of Net Cost		**Line Items Used to Prepare FY 2021 Government-wide Statement of Net Cost**			
Financial Statement Line	**Amounts** *(in thousands)*	**All Other Amounts** *(in thousands)*	**Plus: Manual Adjustment** *(in thousands)*	**Adjusted Amounts** *(in thousands)*	**Reclassified Financial Statement Line**
Gross Costs	$ -	$ 50,032	$ 272	$ 50,304	**Non-Federal Gross Cost**
Operating Costs	291,039	-	-	-	
Subsidy Costs	(234,711)	-	-	-	
	166,838	-	-	-	
	-	11,409	-	11,409	Benefit Program Costs
	-	3,069		3,069	Imputed Costs
	-	2,808	-	2,808	Buy/Sell Costs
	-	155,576		155,576	Borrowing and Other Interest Expense
Total Gross Costs	**223,166**	**222,894**	**272**	**223,166**	**Total Reclassified Gross Costs**
Earned Revenue	(384,832)	(185,332)	-	(185,332)	**Non-Federal Earned Revenue**
		(6,169)	-	(6,169)	Buy/Sell Revenue
		(131,499)	-	(131,499)	Federal Securities Interest Revenue Including Associated Gains/Losses (Exchange)
		(61,832)	-	(61,832)	Borrowing and Other Interest Revenue
		(199,500)	-	(199,500)	*Total Federal Earned Revenue*
Total Earned Revenue	**(384,832)**	**(384,832)**	**-**	**(384,832)**	**Total Reclassified Earned Revenue**
Net Cost	**$ (161,666)**	**$ (161,938)**	**$ 272**	**$ (161,666)**	**Net Cost**

FY 2021 DFC Statement of Changes in Net Position		Line Items Used to Prepare FY 2021 Government-wide			
Financial Statement Line	**Amounts** *(in thousands)*	**Amounts** *(in thousands)*	**Plus: Manual Adjustment** *(in thousands)*	**Adjusted Amounts** *(in thousands)*	**Reclassified Financial Statement Line**
Unexpended Appropriations					**Unexpended Appropriations**
Unexpended Appropriations, Beginning Balance	$ 105,992	$ 115,782	$ (9,790)	$ 105,992	Net Position, Beginning of Period
Corrections of Errors	-	(10,343)	10,343	-	Corrections of Errors
Appropriations received	594,494	594,494	-	594,494	Appropriations Received as Adjusted
Appropriations transferred in/out	30,000	30,000	-	30,000	Non-Expenditure Transfers-In of Unexpended Appropriations and Financing Sources
Appropriations Used	(559,309)	(558,864)	(445)	(559,309)	Appropriations Used
Total Unexpended Appropriations	**171,177**	**171,069**	**108**	**171,177**	**Total Unexpended Appropriations**
Cumulative Results, Beginning Balance	6,066,286	6,056,225	10,061	6,066,286	Net Position, Beginning of Period
Corrections of Errors	-	10,343	(10,343)	-	Corrections of Errors
Other Adjustments	(116)	(116)	-	(116)	Other Adjustments
Appropriations Used	559,309	558,864	445	559,309	Appropriations Expended
Transfers In/ Out without Reimbursement	14	14	-	14	Transfers In/Out without Reimbursement
Imputed Financing	3,069	3,069	-	3,069	Imputed Financing Sources
Offset to Non-entity Collections	(873,836)	(873,836)	-	(873,836)	Non-entity collections transferred to the General Fund of the U.S. Government
Net (Cost)/Benefit of Operations	161,666	161,937	(271)	$161,666	Reclassified Net Cost of Operations
Net Change	(149,894)	(150,068)	174	(149,894)	
Ending Balance - Cumulative Results of Operations	**5,916,392**	**5,916,500**	**(108)**	**5,916,392**	**Net Position - Ending Balance**
Total Net Position	**$ 6,087,569**	**$ 6,087,569**	**$ -**	**$ 6,087,569**	**Total Net Position**

Data and Transparency

Outreach to Minority and Women-owned Businesses

22 U.S.C. § 9621(i)(2) "(A)(i) the amount of insurance and financing provided by the Corporation to [minority-owned and women-owned] businesses in connection with projects supported1 by the Corporation;"

Note:
DFC is committed to supporting women and other underserved groups. Due to the global nature of DFC's investments, DFC is in the process of defining what constitutes "minority-owned" in the context of different regional markets. DFC is also working to strengthen data collection to build a comprehensive list of all women-owned businesses that benefit from DFC investment. "Women-owned businesses" are businesses that are at least 51 percent controlled by one or more women.

Economic and Social Development Impact

22 U.S.C. § 9653(a)(1) "the economic and social development impact, … of projects supported by the Corporation."

Maximizing Positive Impacts using Impact Quotient

Impact measurement is critical to understand, enhance, and promote the impact DFC is having around the world. In January 2020, DFC launched its impact management framework, the Impact Quotient, or IQ, that calculates a development IQ Score based on each project's projected and actual contribution to Economic Growth, Inclusion, and Innovation. Using industry-standard metrics organized across these three themes, the IQ Score helps inform decision-making during the project approval process and enables the DFC to measure the development performance of each project. The IQ Score reflects both the positive and negative impacts of the investment, considers the relevance of the impacts within the host country context, and creates mechanisms to enhance impacts on the environment, the workforce, and the local community through inclusive governance.

Of DFC's committed projects in FY2021, 93 were categorized as Highly Developmental and 15 were categorized as Developmental. During this reporting period, no projects were assessed as Indeterminant. For more detail See table under Developmental Outcomes reporting for 22 U.S.C. § 9653(b)(1)(A).

For additional information on External Verification of IQ's Alignment with Industry Best Practices, see Appendix A on p.77

Complementary and Coordinated Development Activities

22 U.S.C. § 9653(a)(2) the extent to which the operations of the Corporation complement or are compatible with the development assistance programs of the United States and qualifying sovereign entities;

DFC's operations complement the development assistance programs of other U.S. Government (USG) departments and agencies, in addition to development finance institutions (DFIs), international financial institutions (IFIs), and other sovereign entities. Today's challenges, including daunting investment gaps in the infrastructure sector, require DFC and other USG agencies to continuously deepen and refine our collaboration to maximize development outcomes. DFC is an active participant in USG initiatives such as Prosper Africa and Power Africa, and the Corporation has strengthened strategic relationships with other DFIs and IFIs.

Linkages with U.S. Government

22 U.S.C. § 9653(a)(3) the Corporation's institutional linkages with other relevant United States Government department [1] and agencies, including efforts to strengthen such linkages;

Over the course of DFC's first two years in operation, the Corporation established formal relationships, routine high-level interagency briefings, blended finance mechanisms, and training modules on DFC's products for the interagency to strengthen institutional linkages and to ensure greater cross-fertilization on development. Furthermore, in June 2020, DFC launched the Development Finance Coordination Group (DFCG) to bring working-level officials from the interagency together on a regular basis to identify ways to strengthen and operationalize better interagency collaboration. Examples of ways DFC has strengthened its institutional linkages with the interagency include the following:

ADVANCING USG DEVELOPMENT INITIATIVES

DFC is a critical partner of B3W, Prosper Africa, Power Africa, and Asia EDGE initiatives, among other programs, with DFC's CEO serving as the Executive Chairman of Prosper Africa. USAID is funding Power Africa, Prosper Africa and Food Security deals teams at DFC that are advancing the agencies' mutual trade and development goals. For example, DFC's Prosper Africa Deal unit is underwriting and executing transactions that will advance Prosper Africa, an all-of-government initiative to increase investment between the U.S. and Africa. The deal teams complement DFC's new team of regional investment advisors in Africa and Managing Directors in Singapore, Indonesia, India, and Thailand, which are all supported by funding from the Department of State.

EMPOWERING ENTREPRENEURS IN AFRICA WITH USADF

DFC and the U.S. African Development Foundation (USADF) have developed the African Small Business Catalyst (ASBC) program, a joint blended-financing program that will target entrepreneurs in select African countries. The ASBC program will provide loans between $100,000 and $1,000,000 accompanied by grants between $10,000 and $100,000 to African entrepreneurs in LICs and LMICs whose projects advance and or deploy innovation or technology. DFC has partnered with Stanford University to ensure that the developed product includes customer voice and robust analytics as part of its development.

CATALYZING INVESTMENTS WITH MCC

The Millennium Challenge Corporation (MCC) and DFC announced a formal blended finance mechanism called the American Catalyst Facility for Development. DFC and MCC are working to operationalize the new mechanism which is designed enable coordinated catalytic investments aimed at crowding-in the private sector and maximizing the overall impact of the USG development efforts, thereby furthering American strategic interests abroad.

SUPPORTING USG FOREIGN SERVICE OFFICERS

DFC developed a Foreign Service Development Finance Fellows program, in coordination with USAID and the Department of State. The one to three-year fellowship enables USAID and State Foreign Service Officers develop deal origination skills. Once complete, fellows will assume positions as Deal Team leaders in posts around the world.

Environmental and Social Compliance of Supported Projects

22 U.S.C. § 9653(a)(4) "the compliance of projects supported13 by the Corporation under subchapter II of this chapter with human rights, environmental, labor, and social policies, or other such related policies that govern the Corporation's support for projects, promulgated or otherwise administered by the Corporation."

DFC continues to work with and monitor one project supported by the Corporation that is developing remedial measures to comply with DFC's human rights, environmental, labor, and social policies, or other such related policies.

Developmental Outcomes

22 U.S.C. § 9653 (b)(1)(A) "the desired development outcomes for projects and whether or not the Corporation is meeting the associated metrics, goals, and development objectives, including, to the extent practicable, in the years after conclusion of projects;" 22 U.S.C. § 9653 (b)(3)projections of—(A)development outcomes, and whether or not support for projects are meeting the associated performance measures, both during the start-up phase and over the duration of the support, and to the extent practicable, measures of such development outcomes should be on a gender-disaggregated basis, such as changes in employment, access to financial services, enterprise development and growth, and composition of executive boards and senior leadership of enterprises receiving support under subchapter II of this chapter;

Indicator	Definition	Impact Projections, DFC Committed Projects (by year 5) (FY21 Aggregated)
ECONOMIC GROWTH PILLAR		
Factors of Production	Increase or improvements in physical infrastructure and critical inputs to economic growth, such as energy, roads, ports, ICT, oil and gas, critical minerals.	591 Gwh of energy to be produced per year
		136,000 off-grid solar beneficiaries*
		31 MW of IT load capacity installed

*This estimate comprises 135,000 units expected to be sold to households and 1,000 units expected to be sold to SMEs by year 5.

Human Capacity Development	Number of beneficiaries receiving products and services involving basic human needs, such as healthcare; education; food security; housing; and water, sanitation, and hygiene (WASH).	730,000 healthcare patient consultations per year
		2,000 healthcare loan beneficiaries
		850 patient beds
		7,500 housing units to be constructed
		113,000 housing loan beneficiaries
		4,800 education loan beneficiaries
Local Income	Increase in income through payments to the host government and domestic purchases of goods/services.*	$15 billion in local procurement and payments to local governments (5-year total)
Jobs	Increase in the number of full-time equivalent employees.**	10,400 host country jobs supported
Financial Intermediaries	Increase in funding to financial intermediaries for the purpose of investing in local companies through debt or equity.	$8.7 billion in access to credit to local companies made through financial intermediaries
Balance of Trade	Increase in export earnings.	$8 billion in export earnings per year
Projects with workforce policies that support human capacity building and families that exceed local legal requirements, including initiatives to advance women in the workplace.		13% of DFC committed projects (14 projects) reported exemplary human capacity building and benefit programs.

*DFC will begin collecting local income and salaries to add to this metric when its new data collection tools are implemented. Payments to the host government includes corporate income or profit taxes, sales taxes, net VAT, royalties, dividends and related taxes, management and/or concession fees, license fees, tax on payment of interest, and other material payments net of any direct subsidies received.

**The estimate includes directly hired individuals and individuals to be hired through third party agencies as long as those individuals will provide on-site services related to the operations of the client company. The estimate also includes seasonal, contractual and part-time jobs that were converted to full-time equivalent jobs on a pro rata basis.

INCLUSION PILLAR		
Inclusive Customer Base	Number of underrepresented customers to be served.***	1.2 million low-income/microfinance customers to be served
		751,000 women or women-owned/led enterprises to be served
		1.1 million smallholder farmers to be served
		137,000 SMEs to be served
		3,300 customers from other underrepresented groups to be served
Inclusive Employment	Increase in full-time equivalent jobs held by underrepresented populations.	1,900 jobs for female workers to be supported/maintained
		1,400 jobs for young adults to be supported/maintained
Inclusive Supply Chains	Increase in suppliers from underrepresented groups.	36,000 smallholder farmer suppliers to benefit
Projects with inclusive governance (including women owned and or led enterprises) and/or inclusive CSR programs.		31% of the DFC committed projects (34 projects) reported inclusive governance structures and/or inclusive CSR programs

***Underrepresented/marginalized populations may include low-income, smallholder farmers, young adults, women and women-owned enterprises, people with disabilities, indigenous peoples, refugees, and ethnic and religious minorities, and other populations that are underrepresented/marginalized within the context of the host country. Beneficiaries who are part of two underrepresented/marginalized populations (e.g., poor and refugees) are included in both totals.

INNOVATION PILLAR		
Market and Energy Diversification	Projects that introduce new or uncommon products/services (including renewable energy) to the market or introduces new or uncommon operational techniques that will result in improved costs or product/ service quality for end-beneficiaries.	44% of DFC committed projects (48 projects) involve the introduction of new or improved products and services or have other demonstration effects
Knowledge and Technology Transfer	Number of beneficiaries of technical assistance programs for customers, investees, suppliers, or the community. This includes the value-add that equity fund managers provide to their investees.	177,000 beneficiaries of technical assistance programs and fund manager engagement
Voluntary environmental sustainability measures to reduce environmental footprint		3% of the DFC committed projects (3 projects) reported voluntary measures to reduce the company's environmental footprint, such as IFC EDGE green building certification

Indicator	Definition	Impact Projections, DFC Active Projects (by year 5) (Aggregated)
ECONOMIC GROWTH PILLAR		
Factors of Production	Increase or improvements in physical infrastructure and critical inputs to economic growth, such as energy, roads, ports, ICT, oil and gas, critical minerals.	2,902 Gwh of energy to be produced per year
		136,000 off-grid solar beneficiaries
Human Capacity Development	Number of beneficiaries receiving products and services involving basic human needs, such as healthcare; education; food security; housing; and water, sanitation, and hygiene (WASH).	40 million vaccines manufactured and distributed
		554,000 healthcare patient consultations per year
		850 patient beds
		2,000 healthcare loan beneficiaries
		889,000 WASH loan beneficiaries
		7,900 education loan beneficiaries
Local Income	Increase in income through payments to the host government and domestic purchases of goods/services.*	$14.4 billion in local procurement and payments to local governments (5-year total)
Jobs	Increase in the number of full-time equivalent employees.**	14,300 host country jobs supported

*DFC will begin collecting local income and salaries to add to this metric when its new data collection tools are implemented. Payments to the host government includes corporate income or profit taxes, sales taxes, net VAT, royalties, dividends and related taxes, management and/or concession fees, license fees, tax on payment of interest, and other material payments net of any direct subsidies received.

**The estimate includes directly hired individuals and individuals to be hired through third party agencies as long as those individuals will provide on-site services related to the operations of the client company. The estimate also includes seasonal, contractual and part-time jobs that were converted to full-time equivalent jobs on a pro rata basis.

Balance of Trade	Increase in export earnings.	$7.1 billion in export earnings per year
Financial Intermediaries	Increase in funding to financial intermediaries for the purpose of investing in local companies through debt or equity.	$5.8 billion in access to credit to local companies made through financial intermediaries
Projects with workforce policies that support human capacity building and families that exceed local legal requirements, including initiatives to advance women in the workplace.		15% of the 117 DFC active projects (17 projects) reported exemplary human capacity building and benefit programs.
INCLUSION PILLAR		
Inclusive Customer Base	Number of underrepresented customers to be served.***	2.3 million low-income/microfinance customers to be served
		2 million women or women-owned/led enterprises to be served
		991,000 smallholder farmers to be served
		98,000 SMEs to be served
		3,200 customers from other underrepresented groups to be served
Inclusive Employment	Increase in full-time equivalent jobs held by underrepresented populations.	8,700 jobs for female workers to be supported/maintained
		90 jobs for other underrepresented groups to be supported/maintained
Projects with inclusive governance (including women owned and or led enterprises) and/or inclusive CSR programs.		19% of the 117 DFC active projects (22 projects) reported inclusive governance structures and/or inclusive CSR programs

***Underrepresented/marginalized populations may include low-income, smallholder farmers, young adults, women and women-owned enterprises, people with disabilities, indigenous peoples, refugees, and ethnic and religious minorities, and other populations that are underrepresented/marginalized within the context of the host country. Beneficiaries who represent two or more underrepresented/marginalized populations (e.g., poorand refugees) are included in the totals for each, so these figures are not to be aggregated.

INNOVATION PILLAR		
Market and Energy Diversification	Projects that introduce new or uncommon products/ services (including renewable energy) to the market or introduces new or uncommon operational techniques that will result in improved costs or product/service quality for end-beneficiaries.	25% of 117 DFC active projects (30 projects) involve the introduction of new or improved products and services or have other demonstration effects
		2,902 Gwh of renewable energy generated per year
Knowledge and Technology Transfer	Number of beneficiaries of technical assistance programs for customers, investees, suppliers, or the community. This includes the value-add that equity fund managers provide to their investees.	1.3 million beneficiaries of technical assistance programs and fund manager engagement
Voluntary environmental sustainability measures to reduce environmental footprint		4% of the 117 DFC active projects (5 projects) reported voluntary measures to reduce the company's environmental footprint, such as IFC EDGE green building certification

Appendix A

External Verification of IQ's Alignment with Industry Best Practices

In FY2021, DFC underwent an external, independent verification of the IQ framework's alignment with industry best practices in impact management as part of its obligation as a Signatory to the Operating Principles of Impact Management.[1] The external verification confirmed that the IQ is a best-in-class impact management framework once the monitoring and evaluation functions are fully implemented. DFC is building the monitoring and evaluation components of the IQ framework that will enable the Corporation to track and assess the development performance at both the project and portfolio levels.Some of the initiatives that are currently underway include:

- Establishing an impact monitoring and management team that will be dedicated to tracking development results.

[1] A summary of the findings can be found here: https://www.dfc.gov/sites/default/files/media/documents/DFCBlueMark_Verifier%20Statement_Summary%20Assessment _06.22.21 pdf.

- Developing IT systems and processes to create IQ Project Results Tables that will be used to efficiently track and assess the development performance of investments every six months. This approach will ensure that the project's Core indicators that drove the IQ scoring at the time of approval are tracked in a timely manner to assess project performance and identify issues early in the project lifecycle.
- Utilizing DFC's technical assistance resources to amplify DFC's value-add from the development perspective, including assisting clients that may need additional support to deliver on their development impact objectives. DFC is creating a technical assistance facility for its 2X programs and another facility that will support the Corporation's climate initiative.
- Building DFC's project evaluation functions, starting with an evaluation of DFC's existing financial intermediary projects in Latin America.

Lessons Learned

Since its implementation in January 2020, the IQ has become an integral part of the project approval process. DFC's economists, environmental and social analysts work with the project origination team early in the process to assess potential development impacts and work to mitigate any identified risks. The IQ score and assessment are incorporated in all project approval documents and discussed at Investment Committees and Board Meetings.

DFC is continually assessing and evaluating the IQ framework and making refinements, as needed. Some of the lessons gleaned since the implementation of the IQ are summarized below:

- The incorporation of environmental and social risks into the scoring has been an effective way to communicate these risks to senior management during the project approval process. However, the Corporation reevaluated the weighting of the risk deductions and determined that the maximum points deducted should be scaled the same as the maximum points awarded for a positive impact.

- The IQ is a tool to measure the development performance of DFC projects over its lifecycle by identifying up to three Core impacts and up to two Ancillary impacts for each project. Core impacts are weighed on a higher scale than Ancillary impacts. One of the IQ indicators, "Investment in a Low/Low-Middle Income Country" was found to be a poor indicator for measuring the development performance of a project over time. In some cases, it displaced another impact that would have been a better indicator of development performance for that project. As the Corporation's statutory mandate and development strategy are more appropriate frameworks for geographical deal sourcing, DFC updated the IQ tool to better reflect the specific impacts of the project and the relevance of those impacts within the context of the host country, regardless of the country's income level. The "Investment in LIC/LMIC" indicator is now only scored as an Ancillary impact.

- The scoring in IQ was initially focused on measuring positive changes to indicators to assess impact. In light of the economic fallout from the COVID-19 pandemic, DFC needed to adjust the scoring to better evaluate projects that prevent negative outcomes and those that maintain existing operations, including projects such as emergency liquidity facilities.

Private Capital Mobilization

22 U.S.C. § 9653 (b)(1)(B) "the effect of the Corporation's support23 on access to capital and ways in which the Corporation is addressing identifiable market gaps or inefficiencies and and what impact, if any, such support has on access to credit for a specific project, country, or sector;"

The total private capital mobilized figure for FY 2021 is $22.4 billion, with $16 billion in Africa, $3.6 billion in Asia, and $0.4 billion in Latin America. The remainder is through transactions with a footprint in multiple regions.

Cooperation with Qualifying Sovereign Entities

22 U.S.C. § 9653(b)(2) "cooperation with a qualifying sovereign entity in support25 of each project;" 22 U.S.C. § 9653(b)(3)(B) "the value of private sector assets brought to bear relative to the amount of support provided by the Corporation and the value of any other public sector support;"

To facilitate a holistic approach to development finance, DFC works to ensure that its operations complement the development assistance programs of other U.S. Government (USG) departments and agencies, in addition to development finance institutions (DFIs), international financial institutions (IFIs), and other sovereign entities. DFC is an active participant in USG initiatives such as Prosper Africa and Power Africa, and the Corporation has strengthened strategic relationships with other DFIs and IFIs. Examples of how the operations of DFC complements USG development programs, as well as other sovereign entities, to ensure a coordinated approach include the following:

COORDINATING RESPONSE TO COVID-19 PANDEMIC

In response to COVID-19, DFC coordinated with other DFIs to support the development of vaccines for African countries. DFC, together with IFC, the French development institution Proparco, and DEG – the German development finance institution, announced a joint financing package for Aspen Pharmacare Holdings Limited, a leading pharmaceutical company in South Africa that is playing a major role producing COVID therapies and vaccines on the African continent.

HELPING CENTRAL AMERICAN SMSES RESPOND TO COVID DISRUPTIONS

DFC financing to the Central American Bank for Economic Integration (CABEI) to support lending to micro, small and medium enterprises in Honduras, El Salvador, and Guatemala that have been impacted by the pandemic, is part of a larger financing package from other DFCs including KfW Bankengruppe ("KfW") of Germany; ICDF of Taiwan, and European Investment Bank of the European Union.

Monitoring and Evaluation

22 U.S.C. § 9653(b)(4) "an assessment of the extent to which lessons learned from the monitoring and evaluation activities of the Corporation, and from annual reports from previous years compiled by the Corporation, have been applied to projects."

DFC supported projects have not had enough operational time to realize significant development results, and the COVID-19 pandemic has halted DFC's ability to conduct on-site project evaluations, DFC has been actively building its monitoring and evaluation functions in line with recommendations from the third-party assessment of the IQ framework (see "External Verification of IQ's Alignment with Industry Best Practices"). Specifically, DFC is developing an effective end-to-end impact management function, with its focus on establishing a team of impact specialists; improving the IQ impact scoring methodology; and instilling a culture of impact management through the Corporation.

Effective impact management includes a robust evaluation and learning function that considers the long-term impact performance of DFC's portfolio and distills these learnings for the agency to inform investment strategy. DFC is building its capacity to perform in-depth assessments of projects and segments of the portfolio to understand the longitudinal impact of transactions and programs.

Taken together, routine monitoring and in-depth assessments inform DFC's investment strategy, and enhance the Corporation's ability determine DFC's progress to in meeting its impact objectives. These lessons may be used to improve future projects, recommend changes to DFC's policies and procedures, help inform the Corporation's development strategy, and contribute to broader learning within the impact investing community.

Below is a chart of the monitoring and evaluation activities that the Corporation performed in fiscal year 2021.

MONITORING & EVALUATION TYPE	NUMBER OF M&E ACTIONS
Credit Action	0
Risk Rating Scorecard	0
Credit Management Project Visit	0
Development Impact Monitoring Review	0
Development Impact Project Evaluation	0
Environmental & Social Compliance Monitoring	34
Programmatic Reviews	0

- **Credit Action** is defined the number of activities performed by Financial monitoring of DFC Finance Program-originated loans and guaranties including, but not limited to a change in ownership, disbursement clearances, finance transaction loan reviews, waivers, amendments or concurrence actions, or a workout action plan.
- **Risk Rating Evaluations** is defined as the number of risk rating scorecards completed annually. The frequency of risk rating evaluations depends upon the quality of the transaction. Assets with higher risk require more frequent and detailed attention.
- **Credit Management Project Visit** is defined as a Financial monitoring officer visiting a Project to reinforce relationships with key counterparty managers, offer in-person guidance and support for improvement of counterparty performance and personally verify operational/implementation information that has been provided in reports and phone calls.
- **Environmental & Social Compliance Monitoring** is defined as the number of visits (physical or virtual) conducted by a DFC employee in a fiscal year to ensure compliance with project loan covenants.
- **Development Impact Monitoring Review** is defined as the number of Projects rescored on IQ in a given fiscal year and/or the number of projects where data is validated by a DFC or USG employee. The systems and processes to conduct Development Impact Monitoring are still under development.
- **Development Impact Project Evaluation** is defined as the number of Projects a DFC employee or contractor visits either physically or virtually in a fiscal year to examine realized development impact.
- **Programmatic Reviews** is defined as a monitoring activity by DFC's Technical Development Program, Insurance Monitoring Team, or an Officer from the Office of Investment Funds.

U.S. Employment and Associated Effects of DFC-supported Projects

U.S. Employment and Associated Effects of DFC-Supported Projects "Statutory reporting requirements Any statutory reporting requirement that applied to an agency transferred to the Corporation under this subchapter immediately before October 5, 2018, shall continue to apply following that transfer if the statutory requirement refers to the agency by name"'

Outstanding (ODP)

Exhibit 1

Sector	Number of Projects	Final Destination of Project Output: Host Country	U.S.	3rd Country	U.S. Procurement	Effect on U.S. Employment	Effect on U.S. Trade Balance
Projects with Positive Effect on Employment							
Multiple	1	0	0	50,000,000	5,000,000	5	5,000,000
Utilities	5	572,692,335	0	7,000,000,000	512,850,000	1,443	512,850,000
Positive Subtotal	**6**	**572,692,335**	**0**	**7,050,000,000**	**517,850,000**	**1,448**	**517,850,000**
Projects with Neutral Effect on Employment							
Multiple	97	3,215,881,400	0	66,000,000	0	0	0
Utilities	7	88,050,877	0	0	0	0	0
Neutral Subtotal	**104**	**3,303,932,278**	**0**	**66,000,000**	**0**	**0**	**0**
Projects with Negative Effect on Employment							
Negative Subtotal	0	0	0	0	0	0	0
Grand Total (All Projects)	**110**	**3,876,624,613**	**0**	**7,116,000,000**	**517,850,000**	**1,448**	**517,850,000**

Exhibit 2

Sector	Country	
Projects with Positive Effect on Employment		
Multiple	Worldwide	572,692,335
Positive Subtotal		**572,692,335**
Projects with Neutral Effect on Employment		
Multiple	Worldwide	3,279,085,278
Neutral Subtotal		**3,279,085,278**
Project with a Negative Effect on U.S. Employment		
Negative Subtotal		0
Grand Total		**3,851,777,613**

Exhibit 3

In FY2021, DFC supported 110 new projects in 30 countries and 4 regions, across the globe.

Of the 110 projects supported, 6 expect to have positive impact on U.S. jobs:

- All of these are in the infrastructure and utilizes sectors of Mozambique, Brazil, Iraq, Colombia, Ecuador, and Sierra Leone.

Of the 110 new projects supported, 104 expect to have neutral impact on U.S. jobs:

- 85 in multiple finance and insurance, including investment funds in for countries and regions in Africa, Latin America, and Asia
- 5 in utilities in Brazil, Vietnam, India, Ecuador and Sierra Leone
- 14 in services, including vaccine distribution in multiple regions, as well as Colombia, India and Kenya

Of the 110 new projects supported, zero expect to have a negative impact on U.S. jobs.

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